THE CHINA WEEKLY

REVIEW

Devoted to the Economic, Political and Social Development of China and its Intercourse with Other Nations

"Old Days Are Gone Forever —Sino-American Treaty Must Be Revised Immediately"

An Interview with Senator Hiram Bingham

評論報 密勒氏

SATURDAY, JULY 9, 1927

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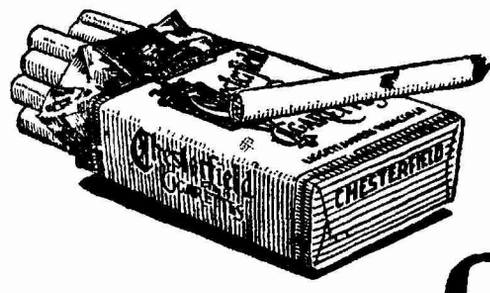

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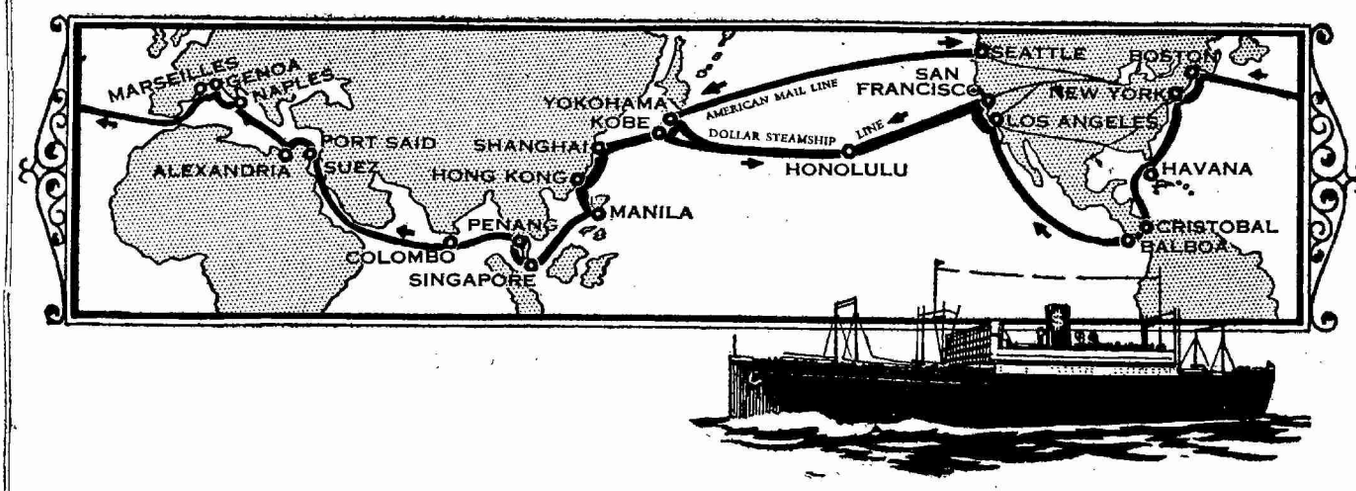

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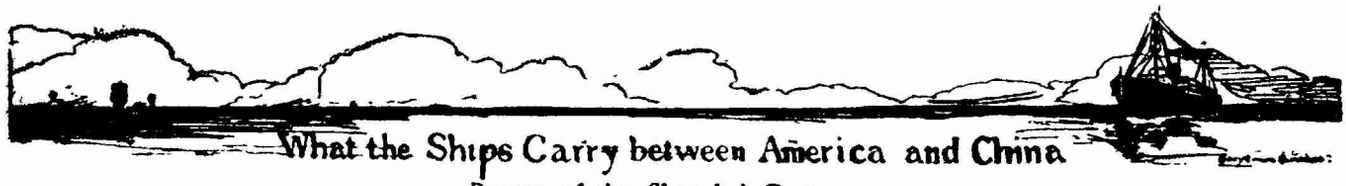

What the Ships Carry between America and China

Return of the Shanghai Customs

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PRESIDENT MADISON,

June 3.

To Vancouver.

Carpets	Hk. Tls.	937

To New York.

Silk Pongees, Honan..	Pls.	16.88
Brassware	,,	31
Hair, Human	,,	51
Egg Albumen, Dried ..	,,	84
Wool, Sheep	,,	386
Skins, Kid	Pcs.	7,645
,, Lamb	,,	3,842
,, Dog	,,	4,575
,, Leopard	,,	139
,, Sheep	,,	3,659
,, Weasel	,,	1,981
,, Mouffion	,,	2,000
,, Rabbit	,,	5,000
Rugs	Hk. Tls.	8,648

To Philadelphia.

Brassware	Pls.	11
Skins, Goat, Untanned	,,	202

To Seattle.

Brassware	Pls.	6
Oil, Wood	,,	9,225
Carpets	Hk. Tls.	1,083

To Victoria.

Skins, Rabbit	Pcs.	1,000

To Kobe.

Milk, Evaporated	Pls.	83

EMPRESS OF RUSSIA,

June 3.

To Manila.

Beans, Yellow	Pls.	140
Sheetings, Grey	Pcs.	4,200

Foreign Goods.

Warp-faced Satteens: Coloured	Pcs.	80

TAIYO MARU, June 3.

To San Francisco.

Silk Piece Goods	Pls.	0.59
Tea, Black, Unfired, Congou, Hankow ..	,,	123
Kiukiang	,,	38
Brassware	,,	30
Chinaware, Fine	,,	7
Intestines, Pigs' Salted	,,	40
Oil, Wood	,,	464
Silk, Raw, White, Shanghai	,,	15
Chinaware, Fine	,,	13

PRESIDENT JACKSON,

June 3.

from U. S. A.

Asparagus	Pls.	98
Canned Pineapples	,,	152
Ink, Printing	,,	233
Leather, Calf Coloured	,,	1
,, Sole, Shoulders	,,	38
,, ,, other kinds	,,	245
Milk, Evaporated	,,	117
Oranges, Fresh	,,	598
Paper, Unclassed	,,	600
Raisins	,,	844
Sugar, Cube	,,	7
Cigarettes	Mille.	1,520
Leather Belting	Feet	15.000
Lemons, Fresh	Pcs.	179,550
Oil, Lubricating, Mineral	Galls.	17,194
Treasure: Silver Bars	Hk. Tls.	490,502

DRYDEN, June 7.

From U. S. A.

Cotton, Raw	Bls.	11,355
Tobacco, Leaf	Pls.	34,323
	,,	6,864

OANFA, June 7.

from U. S A.

Dextrine	Pls.	84
Flour, Corn	,,	84
Leather, Calf	,,	3
Steel Sheets	,,	670
Tinned Plates, Plain	,,	2,423
Motor-cycles	Pcs.	1
Cigarettes	Mille	52,500
Oil, Unclassed	Galls.	7,087

ARCHER, June 8.

from U. S. A.

Carbon, Black	Pls.	141
Cheese	,,	4
Dextrine	,,	210
Leadfoil and Tinfoil	,,	391
Tinned Plates, Old	,,	1,865
Tobacco, Leaf	,,	5,098
Cigarettes	Mille	65,500
Paints, Unclassed	Galls.	971

From Philippine.

Alcohol	Galls.	35,904

BOWES CASTLE, June 10.

from U. S. A.

Cotton Duck	Yds.	5,356
Iron Pipe Fittings	Pls.	73
Tinned Plates, Waste	,,	840
,, ,, Scrap	,,	700
Aluminium Foils	,,	208
Flour, Corn	,,	65
Paperboard, Coated	,,	1,648
Tobacco, Leaf	,,	4,354
,, Prepared in Tins	,,	4
Cigarettes	Mille.	62,750
Oil, Lubricating, Mineral	Galls.	109,391

From Manila.

Buntal Fibre	Pls.	4
Mangoes, Fresh	,,	191
Sugar, Green	,,	1,516

PRESIDENT TAFT,

June 10.

From Canada.

Lead Bars	Pls.	841

from U. S. A.

Zinc Slabs	,,	420
Apples, Fresh	,,	227
Bacon and Hams	,,	18
Cheese	,,	5
Corn Meal	,,	11
Flour, Wheat	,,	1,050
Milk, Condensed	,,	900
Potatoes	,,	23
Tobacco, Leaf	,,	13
Motor-cars	Pcs.	18
Cigarettes	Mille	25,000

To Hongkong.

Tea, Leaf, Unfired, Hankow	Pls.	123
Tea, Stalk, Shanghai	,,	52
,, ,, other Ports	,,	67
Bamboo, Leaf	,,	161
Bran, Wheat	,,	275
Cuttle-fish Dried	,,	21
Fungus, Black	,,	42
Lily Flowers, Dried	,,	181
Lotus-nuts	,,	109
Fish, Salt	,,	92
Tobacco, Leaf	,,	513
Sheetings, Grey,	Pcs.	1,280
Carpets	Hk. Tls.	3,734
Treasure: Gold Bars	,,	48,000

Foreign Goods.

Cuttle-fish, Dried	Pls.	55
Sulphur, Black	,,	178

To Manila.

Cotton Towels	,,	11
,, Yarn, Grey	,,	63
Oil, Groundnut	,,	500
Hams	,,	474
Lard	,,	525
Nankeens, Dyed	,,	50
Sea Blubber	,,	39
Sheetings, Grey	Pcs.	5,020
Eggs, Fresh	Mille	661

Foreign Goods.

Warp-faced Satteens: Coloured	Pcs.	100

ELDRIDGE, June 13.

from U. S. A.

Flour, Wheat	Pls.	92
Timber: Softwood, Clear, Sup. ft.		40,203
Softwood, Ordinary, Sawn	Sup. ft.	1,436,113
Softwood, Merchantable	Sup. ft.	73,238

PRESIDENT WILSON,

June 17.

To Boston.

Skins, Goat, Untanned	Pls.	252
Carpets	Hk. Tls.	355

To Naples.

Egg, Yolk, Moist	Pls.	106

To New York.

Antimony, Regulus	,,	2,260
,, Crude	,,	168
Bristles	,,	199
Chinaware	,,	133
Egg Albumen, Dried	,,	278
Feathers, Goose	,,	25
Skins, Goat, Untanned	,,	924
Hair, Human	,,	72
Intestines, Pigs'	,,	61
Nutgalls	,,	336
Tungsten Ore	,,	210
Wool, Sheep	,,	1,056
Carpets	Hk. Tls.	1,687

PARIS MARU, June 17.

To New York.

Silk, Raw, Steam Filature: White, Shanghai Bls. 45	Pls.	45.09

Weekly Cotton Market Report

By J. Spunt & Co.

China Cotton:—Since the issue of our last circular our market was enlivened by a fair amount of enquiries from native spinners for the local staple, which eventuated in a fair volume of stocks being purchased by them at prices about one tael per picul higher than that prevailing in the preceding period and culminating in the rates evolving firmer tendency at the close. Holders of large stocks appear to be well fortified financially, and their position is still more strengthened by the fact of receipts from the interior being negligible, coupled with the brighter prospects in the yarn market and the existing firmness in both Mid-Americans and Indians.

The fact of the Cotton Goods Exchange being closed since the 25th, June has apparently had very little influence either way on current transactions.

From deductions made of the present situation in the cotton world there is every likelihood that, while there may not be any sustained advance, prices in the near future will not tend to be retrogressive

Yarn:—The market has been quite firm during the week, and prices advanced by Tls. 3.00 to Tls. 4.00 above the level last ruling. In all some 10000 to 11000 bales of local spinnings for spot deliveries have been booked for export to Canton, Swatow, Tientsin, Newchwang, Kiangse, Wuhu, Ningpo Szechuen and other interior ports,

Liverpool:—

American-Middling	9.40
American-Middling last reported	9.11

Tone of Market, *Steady.*

New York Market:—

Price of Mid-Amer.	17.05 Spot.
	16.80 July.
	17.09 Oct.
	17.27 Dec.
	17.32 Jan.
	17.53 Mar.

Tone of the market—*Steady*

Indian Market:—

Fully Good Bengal, D./J.	292
Fine Oomra, July	326
Fully Good Broach, J./A.	338

Tone of the market—*Steady*

Shanghai Market:—

	Tls.
Tungchow, spot exwharf	36.00
Shanghai, Spot	34.50
M. Ginned, Spot	35.00
Shensi, No. 1 Spot	36.50
Ningpo. Spot, Exwharf	34.00

Tone of the market—*Firm*

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41-176

(*Continued from page 153*)

taken over by Feng; reported that Feng may actually attack Hankow prior to his advance on Peking.

July 4—Danish Minister returns to China following inspection tour of China—*Toho* report states that Gen. Yang Sen is trying to reorganize his forces in combination with Gen. Liu Hsiang and Gen. Liu wen-hui in order to launch a fresh attack on the Wu-Han Government—*Toho* report from Hankow states that Central Bank only has reserve of $6,000,000 against note issue of more than $10,000,000 and that notes have fallen to 40 percent on the dollar—Reported from Peking that Gen. Yen Hsi-shan has refused to see Gen. Ching Shih-lien who was sent to Taiyuanfu by Chang Tso-ling—Peking *Toho* report states that Southerners in Shantung have suffered a reverse and have lost 6,000 prisoners—Students Asiatic Affairs Research Society of Japan has decided to send delegations of students to Siberia, North and South China to the South Sea Islands—Some 60 merchants and officials depart for Manchuria to attend 'sample-fairs' which are now being held in Manchuria and Korea—*Kuo Min* (Nanking official) newsagency issues statement which Dr. C. C. Wu, foreign minister sent to Chao hsin-Chu, Chinese representative at Geneva to the effect that China will not be bound by any actions of the Geneva Arms Conference—Central Executive Committee of Nanking Kuomintang issues declaration regarding landing of Japanese troops at Tsingtao stating that the action will handicap the Nationalist advance and prolong the internal strife—Women's Department of the Kiangsu Kuomintang petitions Nationalist Government to abolish concubinage and ordering those Chinese having concubines to dismiss them immediately—*Kuo Wen* Nanking dispatch states that delegation from Yunnan province has informed Chiang Kai-shek that Yunnan is planning to immediately abopt the Three People's Principles—Sun Chuan-fang sends further Kiangsu troops to Tsinanfu—Troops of Generals Han Lint-sung and Chang Hsueh-liang transferred to Techow-*Kuo Wen* states that section of Tientsin-Pukow Railway between Techow and Tsinan is packed with military trains—Nationalist Government at Nanking appoints Chao S-hsuan as director-general of Shantung railway-*Kuo Wen* report from Hankow states that while Gen. Tang Shen-tse is planning to reorganize the Wu-Han Government along the lines of Nanking that Feng Yu-hsiang is opposed and is urging the abolition of the Wu-Han Government entirely—Nanking Government appoints Fan Yue-lien, former minister of education at Peking as head of the new Nationalist Library at Nanking which will be attached to the new Nationalist University which is headed by Dr. Tsai Yuan-pei—Gen. Hwang Fu will formally assume office on July 7 with appropriate ceremonies—Chen Yen-lien, son of Chen Teh-hsiu, communist leader executed in Shanghai by Gen. Yang Hu, defense commissioner on the ground that he was fomenting communist activities.

July 5—Chiang Kai-shek arrives in Shanghai from Nanking to attend ceremonies inaugurating new Municipal administration—Gen. Chen, subordinate of Gen. Chou Yin-jen, stationed at Tsingtao, rebels against Northerners and joins Nationalists; railway, telegraph and telephone service between Tsingtao and Tsinanfu, interrupted; reported that Japanese are planning to send troops to Tsinanfu—*Toho* message from Ichang states that Yang Sen has commandeered 3 American, 2 French 3 British and 1 Chinese steamer for purpose of troop transports; 2 Japanese cargo boats fired on but no injuries—Eastern Conference in Tokyo considers question of Japan's unsecured loans amounting to Yen 400,000,000 in China and also matter of Japan's treaty relations with China, particular attention being given to matter of China's recent tariff increases—Transportation of Japanese goods to Wuchow and Samshui at Canton suspended on account of boycott and other Canton reports tell of increasing hostility to Japan and confiscation of Japanese goods—*Kuo Min* (Nanking Government) agency states Dr. C. C. Wu, foreign minister of Nationalist Government at Nanking recently told the Soviet Consul, Mr. Linde, at Shanghai, that the movement to purify the Kuomintang of Communist elements should not be considered as unfriendly toward Russia with which country Nationalist China desires to remain on friendly terms—*Kuo Wen* report from Peking states that Chang Tso-ling will organize four additional divisions under command of Gen. Hsu Lang-chow—33rd Nationalist army under command ot Gen. Bei Weng-we moved to Hsuchowfu—Martial law declared in Tsinan and Chefoo—Chang Tso-ling instructs Waichiaopu to reopen negotiations for redemption of Tientsin British concession—Yen Hsi-shan, tupan of Shansi sends military representative to Nanking—Nationalist Government, Nanking, announces organization of Bureau for supervision of National Currency, according to statement of Y. M. Chien, vice-minister of Finance.

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密勒氏評論報

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Formerly Millard's Review

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Contents

Editorial Paragraphs
- Senator Bingham's Views On China 131
- Taxation Or Recognition ! 132
- Real British Conservative Opinion on China! 133
- The Chamber Ought To Do Something About This! 133
- Old Days Gone Forever, America Should Revise China Treaties Immediately—Senator Hiram Bingham 134

Special Articles
- The Financial Program of the Nationalist Government ..... By Dr. Kan Lee 135
- Arthur Ransome—'Piscatologist' ..... By J. B. P. 137
- The Present War—An Interpretation ..... By C. Y. W. Meng 140
- A Two Thousand Year Old Precedent for the Mississippi .. 144

Men and Events 148
Who's Who in China 149
The Present Status Of The Military Situation ..... By J. B. P. 150
From the Chinese Press 151
New Books of Interest in the Far East 153
What the Ships Carry between America and China v

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SENATOR BINGHAM'S VIEWS ON CHINA

WHILE some Americans and some Chinese will find points for criticism in the interview with Senator Hiram Bingham which appears elsewhere in this week's issue, it is our profound belief that Senator Bingham has about hit the nail on the head in his conclusions respecting Chinese-American relations at the present time. "The old days of foreign imperialism and special privileges in China are gone forever," says the Senator, "the Chinese revolution is a fact, and armed intervention will solve neither the Powers' problem nor China's, and hence is utterly impossible." Then a little further along the Senator declares that the time has arrived for revision of China's unequal treaties and "the sooner we start the better and there can be no minimum demands. We should open negotiations and make the best terms we can, for the longer we wait the poorer the terms are likely to be." With reference to the anti-foreignism which is sweeping China, Senator Bingham would recognize its existence and readjust our relations accordingly. "The Chinese believe that all of China's ills are due to the foreigner. . . This anti-foreignism has passed the stage where it can be controlled by any government or any outside force. It has become a disease with the Chinese people. It was started by the propagandists, but it has passed from their control and will continue to grow. Rightly or wrongly, the Chinese believe that the foreigner is responsible for their ills and they will continue to think so. Therefore, if America and the other nations as well, seek to maintain relations with China, protect and promote their trade, the procedure is to revise the treaties and save what they can from the rapidly disappearing friendly feeling on the part of the Chinese toward the foreigner."

THE element in Senator Bingham's interview which will displease the foreign reactionaries in China is his unqualified recommendation that President Coolidge should send commissioners to China immediately for the purpose of establishing relations with the various Chinese governments and that these men should be armed with power to revise the treaties. Foreign 'die-hards' who are still living in a byegone age and still think that foreign military intervention may be invoked, will oppose this recommendation and probably will try to start a back-fire against Senator Bingham. On the other hand the Chinese radicals who are intent upon turning China upside down and solving all of their country's ills, social and political, regardless of consequences, at one time as the Russians have done in their country, will not like Senator Bingham's

statement that we must continue to maintain a show of force in the areas where we seek to do business. "But there must be no parading of this force," the Senator declared, "and the maintaining of this force can be made a vehicle for much good if properly used. We must protect our nationals' lives and their properties, . . . but our Navy officials should be instructed to pay courtesy calls on the Chinese officials of the ports in which they are stationed . . . If we can retain the right to maintain a Yangtsze patrol, we can continue to do business there. The various Chinese governments will not be able to eradicate the danger of mob violence and, in my opinion, gunboats should be kept in every port where there are consuls. I think their presence will have a quieting effect on the people and prevent mob violence and allow business to be done . . ."

PROBABLY the most important advice which Senator Bingham gave his own nationals in China was that pertaining to their personal relationship with the Chinese. "The policy of lack of courtesy by Americans toward the Chinese, similar to that followed by the British, is doing untold harm to friendly Chinese-American relations," he said. "The conspicuous absence of the 'Golden Rule' in etiquette and social intercourse on the part of the Americans in their relations with the Chinese is evident and is doing much harm. The Chinese are being made social pariahs as is evidenced by the fact that they are barred from membership in the foreign clubs of the Treaty Ports. In their own country, the Chinese are barred from the relationships which many of them have been educated to desire and enjoy. With this attitude the foreigner is seeking to promote his business in China. Hardly a wise policy at the least!" To sum up Senator Bingham's interview, which appears in full elsewhere in this issue of *The Review*, he is simply recommending a policy of enlightened imperialism which takes account of actual conditions prevailing in China and recommends changes in foreign policy to meet the situation, hoping thereby to strengthen the hands of the moderate Chinese elements which are fighting their own battle against the forces of bolshevism and chaos. He recognizes that the revolution is a fact, but he also recognizes that for a considerable period it may be difficult for the Chinese revolutionists to control the forces which they have let loose. Therefore, he recommends an intelligent and constructive use of the American Marine and Naval forces for the protection of American lives and property in accessible places. Property located in inaccessible places where it cannot be protected, should be disposed of to the Chinese, is the Senator's advice. While Senator Bingham denies that he is in China as the personal representative of President Coolidge, it is no secret that he is an influential member of the Senate Foreign Relations and Military Affairs Committees and is close to the President. What he has to say on China will undoubtedly carry much weight in Administration circles and with the American people generally. Therefore, it would seem to be sound advice to Americans in China, to pay close heed to Senator Bingham's views and readjust themselves accordingly.

OF INTEREST in connection with the foregoing consideration of Senator Bingham's recommendations was a Washington dispatch appearing in the *New York Times* on June 5, which stated that "unless adverse complications develop," the Chinese Nationalists shortly would receive de facto recognition by the United States, similar to what is now accorded to the Peking Government. According to the report, which was based upon an interview with officials of the State Department, de jure recognition has not been extended to any Chinese Government or faction since the administration of Yuan Shih-kai immediately after the 1911 revolution. The American Legation in Peking, according to Secretary Kellogg, had dealt with the governments in Peking, chiefly because they were on the scene and not because the United States had any views regarding the retention of Peking as the capital of China. In the event of Peking's capture by the Nationalists, Washington opinion tended to the belief that Nanking might become the permanent Capital, in which case the American Legation probably would be transferred from Peking to the Capital which the Nationalists decided upon.

TAXATION OR RECOGNITION!

THE OBVIOUS purpose behind the Nanking Government's new tax program is to force the Powers to grant some form of recognition and the chances are that Nanking will win out, particularly in view of the fact that most of China's foreign trade passes through Shanghai which is under the jurisdiction of the Nationalist Government at Nanking. It is unfortunate that the Nanking Government is forced to adopt such methods in order to obtain action, but as has been pointed out frequently in the past, the Chinese in recent years have always been unable to obtain action on needed reforms until they started out to break windows. Then, only, do the Powers pay attention. In the present case the Nationalists have announced the imposition of customs surtaxes on all exports beginning with July 1 and the foreigners were only given about ten days previous notice that the tax was to be imposed. Obviously this raised the very devil with foreign trade because Chinese products being shipped now were sold many weeks prior to this date at certain specified prices. Therefore the sudden imposition of the export tax naturally disrupts trade, due to the fact that it is difficult to induce purchasers abroad to add the export tax to their original contract price, so that the loss falls on the local exporter. The same thing applies to the new customs rates on imports amounting to 30 percent on luxuries and 12½ percent on ordinary products, which are to be enforced on August 1. Since it requires at least ten weeks for merchandise to arrive in Shanghai after being shipped from factories in the United States, it is impossible for merchants in Shanghai to receive goods prior to the imposition of the new rates. It works out something like this: A Shanghai dealer has ordered motor cars for customers in Shanghai at a specified price, and has made a contract to deliver the cars at that price. But before the cars can arrive, the Government imposes an increased customs tax. It therefore becomes necessary for the Shanghai merchant to go back to his customers and demand an increased price to make up for the increased customs duty, a difficult thing to do.

BUT, as stated previously, what the Nationalists are after is recognition, and after recognition has been obtained, the chances are they will become more reasonable in respect to methods of procedure in the application of the new taxes. Up to the present the Powers have gone along pursuing ostrich-like tactics in respect to the Nationalist Government. In other words, the Powers ignore the fact that the Nationalists now control most of China, in fact all of China except Manchuria and Chihli pro-

vinces and the northern edge of Shantung. But the Powers continue to keep their Ministers in Peking and thus accord recognition to Marshal Chang Tso-ling's military government and ignore the Southerners who control most of the country. The Powers do recognize the Southerners when it comes to the matter of lodging protests against alleged treaty violations, but thus far none of the Powers have paid any attention to the Southerners when it came to answering protests which the Southerners have lodged with the Powers, particularly the matter of British airplanes flying over Nationalist territory. In view of this situation, the Nationalists are proceeding on the theory that they are an independent sovereign state unhampered by treaty commitments which apply only to the Peking Government of Chang Tso-ling, which does receive recognition. If the Powers continue their present policy of ignoring facts, they will wake up some morning to find that the Nationalists have obtained complete tariff autonomy and have abolished extraterritoriality leaving the Powers in a completely helpless and ridiculous position owing to the fact that they are still diplomatically tied up to Marshal Chang Tso-ling, and his Government. If Chang Tso-ling is finally pushed out of Peking and back into Manchuria, it is quite possible that the foreign ministers may be forced to follow him to Mukden and perhaps later on to Dairen or Tokyo, simply because diplomatic machinery is too cumbersome to adjust to meet the actual situation.

REAL BRITISH CONSERVATIVE OPINION ON CHINA !

FOR THE disillusionment of those residents of Shanghai, Chinese or foreign, who think that the local *North China Daily News* represents conservative British opinion in respect to China, we submit the following paragraphs which have been culled from editorial and other comment appearing in the *London Times* on the subject of China, since 1925:

(*London Times Leader, Aug. 14, 1925*)

The boycott at Hongkong in itself means a daily loss and injures China as well as the British....and some other foreign nations....Intervention by force is naturally out of the question. ....The movement is not specifically bolshevik. It is something more extensive, more genuinely Chinese. It is a Chinese state of mind that has to be seriously approached and treated both with wisdom and vigor. Before anything else can be done, a grave misunderstanding has to be dissipated. The absurd idea that Great Britain is hostile to China or has any subtle or foolish designs against Chinese integrity, independence or freedom or national rights—or whatever phrase may be used to express the growing national sentiment of a great population—must be scattered to the winds. How can this be done?"

(*London Times Leader, Nov. 27, 1925*)

"The whole problem of changing China is bigger and broader than some temporary collusion with the conspirators of Moscow. In the end, by whatever turbulent means and by whatever wearisome stages, the Chinese nation, which is a real, historical and organic fact, must emerge as a unity. This dominant fact in a very confused situation must in the long run determine the policy of all the powers interested in the restoration of China." Urging the need for taking a long view, *The Times* contendd that Britain's policy should not imply any kind of armed intervention and continued" It is futile in present conditions to dream of diverting or controlling a complicated process of change in the national life of the biggest people in Asia through a few gunboats or a few regiments. No serious statesman could seriously regard this form of intervention as practical or effective."

(*London Times Leader, Feb. 11, 1926*)

There is a greater positive virtue in the spirit of conciliation which takes fairly and scrupulously into account the existence of a genuine Chinese national sentiment, however confused, incongruous and distorted its manifestations at times may be. It is of course utterly preposterous to assume—as some of our enemies assert—that Great Britain could ever dream of dominating or exploiting—alone or in alliance with any other nation—the great masses and the broad spaces of China. No one can govern and organise China but the Chinese people themselves..We have assisted, through commercial, missionary, educational and other enterprises, in bringing the civilising impulse the present effects of which bewilder the Chinese people—and everybody else.

(*Balfour Speech, House of Lords, Nov. 11, 1926*)

Lord Parmour's speech would suggest that Great Britain has been pursuing a policy irritating to the Chinese, which naturally resulted in friction, a policy which had produced a state of affairs from which both the Chinese and ourselves were suffering....The policy of Great Britain had been uniformly in the direction of removing every legitimate grievance of which the Chinese could complain and of doing our best to meet every legitimate demand which Chinese patriots might reasonably make.

(*From British Note, Sept. 2, 1925*)

The Government is prepared to consider proposals to modify existing treaties...."in a measure as the Chinese authorities demonstrate their willingness and ability to fulfil obligations and assume the protection of foreign rights and interests now safeguarded by the exceptional provisions of these treaties"....by enforcing respect for the safety of foreign lives and property and by suppressing disorders and anti-foreign agitations.

THE CHAMBER OUGHT TO DO SOMETHING ABOUT THIS !

ACCORDING to figures just made public by the United States Department of Commerce, American trade with China for the first four months of this year amounted to approximately G.$80,0000,000, which was more than 3 percent greater than for the corresponding period of last year. Of greater interest than the mere figures, however, was the fact that for the first four months of the year the United States led both the United Kingdom and Japan in the China trade, this being the first time that America has taken the premier position in more than a century of commercial relations between China and the United States. We suppose that in view of this 'distressful' situation, the local American Chamber of Commerce will now renew its demands for armed intervention into China's internal affairs in order that America may take its place with the British and Japanese, the British trade for the first quarter of the year having dropped 17 percent below last year's level and the Japanese trade having dropped some 25 percent below last year's figures for the first quarter.

NATIONAL CHRISTIAN COUNCIL REVIEWS YEARS WORK

THE National Christian Council has just issued a pamphlet briefly summarizing its operations for the past five years. Probably no organization anywhere in the world, secular or religious, has had to withstand such bitter criticism as has the National Christian Council during the past year or so. But its leaders have not been turned from their course of preaching international brotherhood as they see it—not a whit. Prominent members have withdrawn, but those that remained have carried on the work with characteristic zeal. The principal offense that the Council has committed seems to be that it has sympathized with Chinese aspirations to control their own churches, whereas some of the older and more conservative Western Christian religious workers would like to continue to keep the Chinese in leading strings. The Council has also

advocated revision of the so-called unequal treaties, another matter which has caused complications with the conservatives who want to have things remain as they are and as they have been for the past quarter century. The Christian Council has much in its favor. Its deliberations are always in public. It has the courage of its convictions and wants the whole world to know what they are. It might be that it is a little ahead of its time, just as John Brown was at Harpers' Ferry, but its soul goes a-marching on. And it has this very evident consolation: Its point of view will ultimately prevail, let critics rant and rail as they will. In other words, the members of the National Christian Council are the Progressives in religious matters, and their opponents are the Die-Hards.

Old Days Gone Forever, America Should Revise China Treaties Immediately—Senator Hiram Bingham

Editor's Note:— The following is a summary of an interview by foreign newspaper correspondents in Shanghai with United States Senator Hiram Bingham, from Connecticut.

THE old days of foreign imperialism and special privileges in China are gone forever. The Chinese revolution is a fact. Armed intervention to solve either the Powers' problems or that of the Chinese themselves, is utterly impossible. All the ills that China suffers today, are, in the Chinese mind, due to the foreigner. This thought is widespread and deep-seated, and right or wrong as it may be, it is here and any armed intervention moves on the part of the Powers will not remove it. On the other hand it would tend to increase and stimulate the impression that foreigners are responsible for China's troubles. Again, the old days are gone and no force can restore them and the sooner we admit it the better it will be for us.

The time has arrived for the revision of China's unequal treaties. The sooner we start the better and there can be no minimum demands. We should open negotiations and make the best terms we can for the longer we wait the poorer the terms are likely to be.

The American Government should send commissioners to every group that is functioning in China today as a government, to establish relations. There are three worthy of such treatment, possibly four. They are the Peking Government under Marshal Chang Tso-ling, the Nanking Government of Chiang Kai-shek and his civilian associates such as Dr. C. C. Wu and others, and the Hankow Government represented by Gen. Tang Shen-tse in a military way and Wang Ching-wei, Sun Fo, Borodin and others in civilian capacity. The fourth government possibly worthy of treatment on the part of the American Government is that of Gen. Yan Hsi-shan, governor of the so-called model province of Shansi. Gen. Yen is virtually independent and for years has demonstrated his ability to maintain an efficient Government. The interests of the American people and that of their commercial interests will be furthered by direct negotiations with these governments and under treaty provisions on a more equal basis than at present exists.

I do not believe the present Nationalist movement, as broad and comprehensive and deep-seated as it is, is going to result in a united China. The country is too large to become one unit immediately. The differences between the people is too vast. Four hundred and more millions of people with their differences are too many to be brought under the authority of one government in any comparatively brief period of years.

I do not believe the several governments now functioning in China are doomed to be absorbed by one central authority. The present Nanking Government seems likely to succeed in their drive on Peking, but after they have been there a while they may find themselves unable to maintain their authority over the vast area from Peking to Canton. The result may be that they will fall back to Nanking where they will be able to continue functioning as they are now doing. The Hankow Government, to my mind, is in no immediate danger of collapse or absorption by the Nanking element. The Hankow Government authority extends over an area peculiar to itself and the same can be said of the other Governments.

Present reports of the imminent fall of the Hankow Government, in my opinion, are unfounded. Mr. Borodin, high-adviser to Hankow, today is "sitting on top of the world" and to my mind he is one of the cleverest revolutionists in the world today. Should the Hankow Government fall, you can depend upon Borodin to "light on his feet." He is resourceful, clever and efficient and today is far from one who is seeking for a way to escape or make a secret flight to Russia or elsewhere, as he is being represented.

America should immediately take steps to meet the rising tide of anti-foreignism sweeping China. This anti-foreignism has passed the stage where it can be controlled by any government or any outside force. It has become a disease with the Chinese people. The propagandists started it but it has passed from their control and will continue to grow. The Chinese believe that the foreigner is responsible for their ills and rightly or wrongly, they will continue to think so. If America and the other nations as well, seek to maintain relations with China, protect and promote their trade, the procedure is to revise the treaties and save what they can of the rapidly disappearing friendly feeling on the part of the Chinese toward the foreigner.

A policy of lack of courtesy by Americans toward the Chinese, followed by the British, is doing untold harm to friendly American-Chinese relations. The conspicuous absence of the Golden Rule in etiquette and social intercourse on the part of the Americans in their relations with the Chinese is evident, and is doing much harm. The Chinese are being made social pariahs as is evidenced by the fact that they are barred from membership in the foreign clubs of the Treaty Ports. In their own country they are barred from the relationships which many of them have been educated to desire to enjoy. With this attitude the foreigner is seeking to promote his business in China. Hardly a wise policy at the least!

I am not laboring under any illusions that the Chinese are capable of functioning under a Republican form of government. I believe we must maintain a show of force in the areas where we seek to do business. The maintaining of this force can be made a vehicle for much good if properly used. We

must protect our nationals' lives and property, but there need be no parading of force. Our Navy officials should be instructed to pay courtesy calls on the Chinese officials of the ports in which they are stationed. The American language officers now stationed in Peking should be distributed among the several Chinese Governments with which we should have relations. They should keep in touch with what is taking place in China. We are doing this today with only the Peking Government. We should do it with the others as they are functioning as efficiently as Peking and to my mind there is no prospect for any one central authority being established. We must accept the facts as they are and deal with them accordingly.

If we can retain the right to maintain a Yangtsze patrol, we can continue to do business there. The various governments will not be able to eradicate the danger of mob violence and, in my opinion, gunboats ought to be kept in every port where there are consuls. I think their presence will have a quieting effect on the people and prevent mob violence and allow business to be done. I think the protestations of friendship on the part of the several governments toward foreigners is sincere, but they are unable to control the anti-foreign feeling.

I would not advocate the return of Americans to areas which cannot be protected by our own authority. The solution of the question of our properties in various areas is difficult, and if the Chinese could buy them for a fair valuation and finance the transaction, that might be the best way out.

I have come to China to investigate things at first hand and try to find a policy which is the best for the interests of the United States. I intend to confer with President Coolidge upon my return to America and indicate my conclusions to him as I have here. The attitude of the Chinese which made possible the unequal treaties at the time they were negotiated, no longer exists. The sooner we send commissioners to China's several functioning governments the better it will be for us as we will get better results the sooner our commissioners get here.

Note:—Senator Bingham has been in China about two months and has traveled pretty thoroughly over North, Central and South China. He has visited and interviewed Chang Tso-ling, Chang Hsueh-liang, Chang Chung chang, Chiang Kai-shek, Dr. C. C. Wu, Borodin, Eugene Chen, Hu Han-ming and lesser lights. The only important leader which Senator Bingham failed to see and interview was Gen. Feng Yu-hsiang, the Christian General, and that was due to the fact that Gen. Feng had not yet reached an accessible part of the country. Senator Bingham was in Chengchow, Honan province, a few hours before Fengtien evacuated and the Southerners came in. The Senator is departing for Hongkong, Canton and Manila and will return to Peking before returning home by way of Honolulu.

Senator Bingham denies the report that he is the official representative of President Coolidge.

The Financial Program of the Nationalist Government

BY DR. KAN LEE

THE Financial Conference at Nanking, called by the Nationalist Ministry of Finance, came to a successful close just a few days ago. With the departing members, who are returning to their respective provinces to carry out the decisions of the Conference, Nanking lays most of its hopes, in the way of future financial contributions and support, without which the military movements, now extending northward, cannot be carried on. History has too often glorified military achievements more than their due, without giving sufficient credit to those financial geniuses who do not go to the front, but from whom the army draws its material support. To finance a war is always a difficult matter; the present impoverished conditions of China render the task doubly difficult. In order to meet these difficulties the Conference which has just closed was called.

The Conference was originally planned to convene on June 15. Due to the reason that delegates from distant provinces were unable to assemble at Nanking on that date, the opening ceremony was postponed until the morning of June 22. Thirty delegates, representing five provinces, were present on the first day. The provinces represented, with the distribution of the number of delegates, were as follows: Kiangsu, 13; Chekiang, 8; Anhwei, 5; Fukien, 2; and Kwangtung, 2. One Kwangsi delegate, who had been in Nanking, was in conference with Gen. Chiang Kia-shek at Hsuchow, and was thus prevented from attending the Conference. The Conference was further replenished by ten delegates representing the Ministry, including the Minister and the Vice-Minister of Finance.

The Conference sessions are: general, provincial, and special. As the name indicates, the problems discussed in the first were of general interest; in the second, provincial; and in the third, administrative.

Measures, Expedient and Permanent

The measures that were decided upon at these meetings may be classed into two kinds: expedient and permanent. The ostensible purpose in calling the Conference together was to discuss the means of raising sufficient funds from the different provinces to defray the enormous war expenditure; but the Ministry was not slow in seizing this opportunity to establish something more enduring, and probably in the long run, the more important. The expedient measures aim to get immediate results. It is an open secret that the Central Government is in urgent need of money. Estimates from the most reliable source, from the lips of Gen. Chiang Kai-shek himself, who attended one of the sessions in person, show that the military and other governmental expenditures of the central government exceeds $14,000,000 a month, and, in view of the recent military developments, this sum may be raised to over $20,000,000. The central government, with its yet imperfect machinery to collect revenue, is evident unable to bear this enormous burden, without asking the provincial treasuries to help. In making desperate efforts to meet the war needs, it was decided upon, at the Conference, that, first the revenue that is due to the central treasury may not be appropriated by the provincial government; secondly, the provinces agree to make certain contributions to the central government out of the provincial revenue; and thirdly, new expediency taxes are to be devised and the rates of certain existing taxes are to be raised. Among the last named are the petroleum duties, which is to be $1.60 per box; the cigarettes levy, at the rate of 50 per cent *ad valorem*; and the alcoholic drinks and native tobacco taxes, the existing rate of which, at approximately 15 per cent, are to be strictly enforced.

A Summary of Revenues

The annual revenues of the central government derived from four provinces, based upon calculations made at the Conference, are as follows:

Provincial contributions		$20,670,000
Kiangsu	$ 8,400,000	
Chekiang	$ 6,000,000	
Anhwei	$ 3,600,000	
Fukien	$ 2,670,000	
Customs revenue		$27,674,000
Salt gabelle		$29,100,000
Cigarettes levy		$24,000,000
Petroleum duty		$ 4,900,000
Alcoholic drinks and native tobacco tax		$ 5,000,000
Opium fines		$ 3,000,000
Stamp tax		$ 1,200,000
Parcels tax		$ 200,000
Total		$115,744,000
Less		
Kiangsu "25" loan, Principal and interest		$12,000,000
Chekiang militia expenditure		$ 4,056,000
Fukien militia and navy expenditure		$18,000,000
NET TOTAL		$81,688,000

In the foregoing table Kwangtung and Kwangsi were left out, for respective reasons. The Kwangsi delegate was not able to attend the Conference, and the exact sum that the province of Kwangsi may be asked to contribute to the central treasury is not exactly known. The Kwangtung statistics were available; but it had been the practice, ever since the beginning of the Nationalist movement, for the Province of Kwangtung to bear directly a part of the expenses of the central army, which sum amounts to $4,640,000 every month at present. This sum not only exhausts the whole central revenue due from Kwangtung, but leaves the account with a small deficit.

Granting these calculations to be correct and the provincial promises to be reliable, we see that the central revenue, for the remaining six months of the present year, cannot far exceed $65.000,000, with nearly $40,000,000 from the four provinces aforenamed in the table, and $25,000,000 from Kwangtung. The expenditure for the same period, military and civil, shall amount to no less than $120,000,000. Some $60,000,000, therefore, has to be raised through some other means. The Financial Conference duly passed a motion of the Ministry, authorizing the latter to issue, with the approval of the National Political Council, a domestic loan of sixty million dollars. This loan is to be known as the "Republic of China 16th Year Reconstruction Loan". It is to pay an annual interest of 7 per cent, to be floated at 92, and to be repaid in full in five years. The revenue from the cigarettes levy shall be the guaranty. The loan is to be sold in the various provinces, and the proceeds forwarded to the central government.

With the riddle of the finances of the Nanking government thus solved, the purpose of the Conference may be regarded as having been accomplished. The Conference, however, was not satisfied with the fulfilment of its primary object, and proceeded to put its seal of approval on two measures, which shall be of paramount importance to subsequent Chinese financial history.

Separating the Sources of Revenue

The first measure is the separation of the central sources of revenue from the local sources of revenue. The historic Chinese central taxes were a certain percentage of, or rather a surtax upon, the local taxes; this system, simple in application as it was when first adopted, grew more and more cumbersome as time went on, when tax laws became more and more elaborate. Down to the present time the system becomes almost inexplicable; and it stands as an insurmountable obstacle, in making separate, independent budgets for both the central and the local governments. It is a movement towards the right direction, therefore, for central sources of revenue to be separated entirely from the local, and that certain duties are reserved specially for the support of the central government.

The plan for the division of the central and local sources of revenue was drawn up beforehand by the Ministry, and was duly passed, with moderate changes, at the Conference. In the main, the plan provides that the central government is henceforth to draw its revenue mostly from the provincial contributions, customs duty, tobacco, spirits, and cigarette taxes, petroleum duty and the *likin*. The local governments, (by which we mean to include the provincial government) get their support mostly from the land tax and the produce tax. The land tax, which requires minute superintendence and examination in collection, can be administered much better by local bodies than by the central government; and an increase in its annual yield, as well as improved methods of collection, is expected in making it exclusively a tax for the local government.

The inclusion of *likin* as a source of central revenue is meant only as a transition. By making *likin* a central tax, it is taken entirely off the hands of the provincial government, and the central government may pursue whatever policy towards *likin* as it pleases, without fears of provincial hindrance. Towards *likin* the policy of the central government is that of abolition. To leave the public in no doubt as to its sincerity in carrying out the policy, the central government has already announced the date, August 1. 1927, on which the abolition is to take place. It is a matter of doubt whether preparations for such an important step can be made in se short a time, or whether enough revenue can be devised to make good the enormous loss to the government due to the abolition of *likin*, but the boldness in action and the sincerity of purpose of the Nanking government is to be commented upon, and viewed with nothing short of admiration.

Abolishing Likin

The significance of the abolition of such an obnoxious tax as *likin* probably needs no comment. *Likin*, or the passage tax, was a child of necessity. It was originated by Tseng Kou-fang, in order to raise enough revenue to put down the Taiping Movement. Once established, however, it was hard to be eradicated. Fiscal necessity forced it not only to continue, but to extend in its scope. *Likin* stations were established everywhere; thousands of collectors were appointed, who found the mercantile populace to be as meek as the proverbial lamb, to be fleeced at their will. Under their scourge commerce withered and domestic trade could not flourish. The nation was impoverished, in order that a few *likin* collectors might get rich. *Alcovala* ruined Spain, as Adam Smith thought it did, *likin* certainly did no less to China. Its abolition has long been the cry of the Chinese public; its realization will open an entirely new chapter in Chinese economic history, and will have far-reaching consequences.

That these momentous measures should have been passed by the provincial delegates at the Conference, without much opposition, bespeaks of the good feeling and the genuine sense of co-operation that was shown by all those who attended the Conference. Indeed the attendance was limited, due to the political situation, to delegates from only five provinces; but these five provinces realize that they have but one common aim, and that all must help in order to realize that common aim. It means great sacrifice on the part of the different provinces to promise a large contribution to the central treasury, to bear a part of the sixty million dollar loan to be floated. and, what appears to be the hardest, to give up the provincial revenue formerly derived from *likin* which amounts every year to a big sum, That such sacrifice should have been made, and made so willingly, at the Nanking Financial Conference shows a spirit which sixteen years of the history of the Republic have up to now failed to show.

Nobody, who knows anything of the Nanking government finances, can feel too optimistic about the future. As all Chinese governments were for the last ten years, the Nanking treasury is low. The expenditures, due to the necessities of the war, are enormous; and it is no easy job to meet this enormous expenditure. War finances are necessarily make-shift finances. No governments have yet been able to go through a war without borrowing, in one form or another, In this the Nanking government is no exception. Its financial plan for the present year includes the floating of no less than $90,000,000 of domestic loans, a sum which is made doubly hard to bear, due to the impoverished conditions of the nation. But at the same time another step is being taken. Taxes are being increased, especially those on luxuries. The separation of the central and the local sources of revenue is a change for the better; so is the abolition of *likin*. The execution of the last named measure shall entail no small amount of hardships on the government; but once, accomplished, it shall prove a blessing which our countrymen may look upon some day with relish and admiration.

The Spirit of Co-Operation

But above all the Financial Conference has shown something even more significant. In discussions, deliberations, and voting, the delegates have demonstrated a spirit of co-operation, a spirit of harmonious conciliation, and a spirit of sacrifice, which are the basis of the making of a nation. No central government can exist without the full hearted support of the provinces; and the Nanking Conference, despite the small number of provinces attending, has shown that all these provinces are bent upon a common end, are a unit, a whole. May we suggest that probably therein lies the real germ of optimism?

The conference method of discussing and deciding upon important governmental policies is quite an innovation, in China at least. In our opinion, it is a good method. The conference members are gathered from different provinces, who, without attending the conference, would have very little chance of knowing each other. To gather the delegates together puts a certain bond among them; and in human relations sentiment sometimes is more important than reason. It may help to solve some of the knotty problems in Chinese politics if the Financial Conference may be made an annual or semi-annual institution, in which provincial financiers and tax administrators may have a chance to know each other and to talk over their problems, or even their grievances, if any, in person. The Nanking Financial Conference paves the way for future undertakings of the like nature. and has proved itself worthy of existence.

Nanking, July 1, 1927.

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Arthur Ransome—'Piscatologist'

BY J. B. P.

MANY writers of national and international repute have visited these China shores in recent months to investigate and write about the 'China situation', but among the thousands and yet more thousands of words which have been mailed and cabled abroad, we doubt whether anything has had a profounder or more far-reaching effect than the work of Arthur Ransome, special correspondent of the *Manchester Guardian*, who spent considerable time in China early this year.

Mr. Ransome came to China by the Suez-India route and departed by the Trans-Siberian. He spent considerable time in Shanghai before the capture of the city by the Nationalists. Then he went to Hankow and investigated the Nationalists at their home base and came back to Shanghai, stopping at Kiukiang, Wuhu, Nanking and elsewhere, on the way. Then he took a coastwise boat to Tientsin and after some time in

Mr. Arthur Ransome, Journalist, Author, 'Piscatologist', trying his art in Hongkew Park, Shanghai.

the Northern capital, Peking, he went home by way of Manchuria and Siberia. While in China, Mr. Ransome sent daily cables to the *Guardian* and upon his return to England he contributed numerous articles to his paper on various phases of the China situation. Some of the articles were written in the form of a diary of his trip to China and others treated of particular phases of the Chinese blow-up. One article, "The Shanghai Mind" (reprinted in our issue of May 28) probably attracted more attention than anything else that Mr. Ransome wrote, for in it he exploded the 'Shanghai myth', meaning by this statement, that in this article Mr. Ransome for the first time told the British people the truth about the little foreign colony of Shanghai which has been responsible, directly and indirectly, for most of the complications which Great Britain has experienced in her dealings with the Chinese people over a considerable number of years.

Exposed our Sins to Public Gaze

Mr. Ransome's article on "The Shanghai Mind" was important for many reasons, but its chief importance rested in the fact that it exposed to public gaze the actual facts of the Shanghai situation and this in turn has enabled the British (and American) people at home to view the foreign situation here in proper light and ultimately will enable them to settle the Shanghai question on a basis of strict justice to foreigners and Chinese alike. Mr. Ransome's article naturally created a deep impression in Shanghai and doubtless caused a hurried rallying of the clan before the 'longest bar' where local British policy is manufactured, and where anything opposing it is properly damned as pure 'bolshevism.'

The very local *North-China Daily News*, 'official' organ of the 'die-hards', very naturally was outraged at Mr. Ransome' expose and said so in a two-column editorial broadside, but neglected, curiously enough to reprint Mr. Ransome's article, apparently fearing to expose its readers to his searching analysis of the real Shanghai. Therefore, Britons in Shanghai who obtain their educations and inspirations exclusively from the *N. C. D. N.* were forced to purchase copies of this weekly in order to find out what had produced such a fit of near-apoplexy in the editorial sanctum of their favorite newspaper exponent and advocate of the blessedness of things as they are. In its criticism of Mr. Ransome's article, the *N. C. D. N.* in accordance with its usual custom when floored by an argument, stooped to personalities, and sought to tear Mr. Ransome limb from limb. In this connection, we are indebted to the *N. C. D. N.* for the new word which appears in the heading of this article, "Piscatologist." The leader in the *North-China*, among other things declared that Mr. Ransome's article on "The Shanghai Mind" was written in both "bad English and bad taste" and ended up by calling the well-known English journalist and author, a 'Piscatologist,' something which seemingly pertains to the art of fishing, but which we have been unable to find in any of the standard dictionaries. But since the word apparently has some relation to the art of fishing, it inspired us to investigation and thus resulted in the discovery that Mr. Ransome, in addition to his other attainments as a writer on literary and political subjects and perhaps the greatest English authority on Russia, is a fisherman of great reputation. In fact he is an authority on this subject and thousands of Englishmen who do not care a tinker's damn about China, nevertheless become tremendously agitated when Ransome fails to contribute his weekly article on fishing to the *Guardian*. The facts of the matter are that Mr. Ransome is, among many other important things, a real authority on fish and their habits. Which may, to perpetrate an American pun, have been responsible for his ability to understand Shanghai.

He Also 'Exposed' Chinese Fishermen

As stated previouly, Mr. Ransome, upon his return to England contributed several articles to the *Guardian* on various phases of the China problem. But this wasn't all: he also contributed an article on the subject of fishing, and herein is disclosed for the first time that Mr. Ransome, while in Shanghai actually went fishing in the sacred precincts of one of this city's 'parks and open spaces' which are reserved for the exclusive pleasure of foreigners and which, according to ancient lore, are not open to 'Chinese and Dogs' at least if we would believe the propagandists of bolshevism and other dangerous doctrines.

With this rather lengthy and rambling introduction, we present herewith Mr. Ransome's article on fishing in China, wherein he explains that when it comes to fishing the Chinese are a decadent race:

By Arthur Ransome

Chinese fishing is a disappointment and, as fishermen, the Chinese are a decadent race. I went to China rather eagerly, primed with the knowledge that some five hundred years before the Christian era, Confucius, whose philosophy is to this day the most influential in China, had fished with rod and line, refusing to use a net. Surely, I thought, if China is full of Confucians, they must follow their great teacher in a matter obviously more important than mere philosophical theory. Old Chinese pictures frequently represent men fishing in a worthy manner. Barbless hooks were known to these

people two thousand years before they were introduced to us. I came to China as a pilgrim to the cradle of a religion. I expected to find followers of the true faith seated, bamboo in hand, by every ditch. I was as disappointed as must be those Mohammedans who come to Mecca and find there an elaborate system for fleecing the pious instead of an edifying spectacle of pure religion.

Only Two Fish With Rods

The whole time I was in China I saw only two men fishing with rods, and they were not Chinese, but Japanese. I did, however, see a great many fishermen. All, without exception would be instantly expelled from, for example, the County Palatine association. The object of the Chinese fishermen seems to be the capture of fish with the least possible expenditure of energy or skill. On the Yangtsze the commonest method is as follows. A huge bamboo framework supports a wide, shallow net, which is lowered into the stream close to the bank in places where the fish swim, and is at intervals lifted, when fish that happen to be passing over it are caught. Neither fish or fisherman is called upon to use more judgment than is necessary in choosing a lottery ticket. Nor does the fisherman use a particle of unnecessary energy. The net would be difficult to lift directly from the water. It is therefore suspended from a balanced pole. The fishermen lies comfortably upon the bank smoking his long pipe. When he chooses he pulls down a light cord, the pole swings up, the net is lifted with so little effort that he can hold his pipe in one hand and haul up the net with the other. If there is any fish in it he scoops them out with a long-handled landing net. If not, he lets go the cord and the net sinks again under the water. And that is all there is to it. Another method is the setting of long lines of a hundred hooks. These are lowered away over the stern of a boat, which is then anchored, while the fisherman sleeps. When he wakes he hauls in his catch. In the lake of the Summer Palace outside Peking I saw men using four-pronged spears. A more interesting method, but one in which the fisherman earns even less credit, is that of making cormorants do the fishing. Going up the Yangtsze, I saw three cormorants flying low over the water and presently settle and dive. In a narrow boat, with perches along its gunwale, a fisherman waited a little way down the stream. The cormorants catch fish and bring them back to the fisherman, who suitably rewards them. It is as if in England in a low water an angler should sit on the bank and employ little boys to tickle trout for him. O monstrous degredation!

Chief Fish In China

The chief fish to be caught in China are members of the carp family. There are, however, small trout in the becks in the hills out far from Kiukiang, and, I believe, plenty in Manchuria, where there are too many bandits to leave to anglers the peace of mind their sport requires. There is good sea fishing in many places, particularly Weihaiwei and Peitaiho, where the bass are of good size and take a fly heartily. On the way to China, by sea, I fished at Aden, Penang, and Singapore with a tiny rod made for me by Farlows, which I carried in my suitcase, and at all these places caught something. At Aden, sweltering in terrific heat under a sun hot on the first of January, I was rowed with a friend in a rough boat full of blackamores to an anchored lighter to which we tied up. Here I got catfish on raw meat. When the tide turned the lighter, which was very low in the water, swung, and there was a sudden yell of "fish, big fish," from the blacks. Something big had been sheltering under the lighter and had been disturbed by its swinging. There was a mighty swirl in the water on the far side of it. I had just caught a catfish, and jumping from our boat to the lighter, I dangled it at my feet in the place where we had seen the swirl. Suddenly a fair-sized shark, seven or eight feet long, shot up so near that I could easily have kicked his back fin as he turned. He came right up under my feet, turned over, and was gone. I tried desperately to tempt him with the catfish. He would not come again. But at least I had seen a shark, and nearer than I am ever likely to see one again. At Penang, also fishing with raw meat, in the evening, after going to the top of the hill and seeing butterflies as big as soup plates and a centipede a foot long and thicker than my thumb, I tried in the inner harbor under the light of an arc lamp and got a fat fish striped and brightly colored, which was appropriated by a Japanese who said it was very good to eat. Also another catfish. At Singapore, I fished from the top of a stockade built out into the sea to form a bathing enclosure free from sharks. Here the bait was prawns. I caught two curious fish about half a pound each and then a sea-serpent. A naval lieutenant was sitting on the top of the stockade with me at the time, and as soon as I was able to bring the brute to the top of the water and he saw what it was, he ran round on the top of the stockade to the shore and came back with a stick and a kitchen knife. By the time I had the snake on the stockade the navy had not left much of it. There are plenty of these sea snakes about and they are said to be poisonous. They certainly have ugly heads.

She Edits a Chinese 'Ladies Home Journal'

Miss Ying Tsiang, B. S., a graduate of Shanghai College, has been appointed editor of the Chinese *Ladies Journal*, a publication which greatly resembles the magazine of similar name so widely circulated in the United States. Miss Tsiang was a member of the first coeducational class to be graduated from Shanghai (Baptist) College. She is twenty-five years of age and a native of Hunan province near Changsha where her parents still reside. She received her early education in a Presbyterian mission school in Hunan and later came to Shanghai for higher education and special training in journalism. In addition to her editorial work, Miss Tsiang is also interested in the suffrage movement and is a director in the Chinese Women's Suffrage Association.

Miss Ying Tsiang

The *Ladies Journal* of which Miss Tsiang is editor, has a monthly circulation of 14,000 copies, many readers being among Chinese women in Europe, America, the Philippines, Federated Malay States and Java. The largest number of copies mailed abroad go to France where a large number of Chinese women students reside. The magazine issues special numbers on occasion dealing with such subjects as the "Women's Movement," "Home Reformation," Chinese Women's Student Movement," "Sex Education," "Divorce," "Art and Women," "Love and Women," "Children's Place in the Home," "Birth Control," etc.

The previous editor of the *Ladies Journal* was Mrs. Chu Hu-ping Hsia, a graduate of the University of Chicago, who is now living in Peking.

Judge Ziar Retaliates Against British Newspaper

In refusing to give judgment at the Provisional Court July 1 in favor of Lester, Johnson & Morris, claiming that the real party in interest was the *North China Daily News*, Judge Y. S. Ziar stated that said newspaper would be unable to secure any relief in his court until it had purged itself of contempts committed by it against the dignity of the court.

For the past several months the senior British newspaper has published editorial comments concerning the court of a caustic and insulting nature. Judge Ziar cited many instances in a long written judgment, copy of which he later sent to the British Crown Advocate.

In one editorial the *N. C. D. News* referred to the Provisional Court as "clownish." In another editorial it was charged that the judge imposes himself between the criminal and the law.

Quoting Lord Halsbury on contempts, Judge Ziar stated that while the Provisional Court could not "get at" this British newspaper because it could shelter itself under extraterritoriality, it would be possible for the Court to proceed against the Chinese typesetters and printers.

When counsel for the *N. C. D. News*, Mr. Preston mentioned that the compradore would be denied justice if judgment were withheld, Judge Ziar said, "Those who engage themselves to criminals must take the consequences. The compradore has his own legal remedy against the *N. C. D. News*."

OBJECTS OF ORIENTAL AND WESTERN FINE ART CURIOS.
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TOYO MURAKAMI
26B, Kiangse Road (corner Ezra Road)

American and Foreign Cartoons on China Situation

GETTING AWAY FROM FEUDALISM 'VASSALAGE AND ANARCHY

Coming Out of the Mists.—*from N. Y. World, March 23, 1927.*

BOLSHEVIKS RIDING IN THE SADDLE

DRIVING OUT ONE, WITH A WORSE ONE ON HIS BACK

—Evans in the Columbus *Dispatch.*

ALL WE WANT FROM CHINA

—Harding in the Brooklyn *Eagle.*

GREEK COMEDY

Russia put some powder in the South China pipe, England put some in the North China pipe—and then came the explosion!

—*Politeia* (Athens).

British Troops From India to Leave China

Preparations are being made to withdraw from China all the British troops that were transferred here from India, the first public announcement to the effect that the British government had decided on this move having been published in London by the *Daily Mail*, July 5.

The *Daily Mail* made the naive suggestion that the withdrawal of these British troops was made possible by the increase of the forces of other Powers in China, particularly the American.

It is an open secret that Chinese pamphleteers have been active in presenting their side of the situation to the Indian troops, evidences of which appeared in various prosecutions not only in the Provisional Court against Chinese, but in the British Court against Indians.

Chow Pei-Chen To Head Local Branch of Central Bank

The Central Bank, which was first organized by T. V. Soong, then Minister of Finance and concurrently Managing Director of the Bank, will shortly open a branch office in Shanghai in the premises of the former Russo-Asiatic Bank on the Bund. The capital of the Bank will be $50,000,000, and the Bank will issue notes bearing the same picture of Dr. Sun Yat-sen as that used by the Hankow Central Bank. The names of the Directors are not known as yet, but Mr. Chow who is going to be the head of this Bank was formerly president of Governmental Properties in Chekiang and one of the founders of the Chartered Stock and Produce Exchange Shanghai of which he was made chairman of the board of directors. For a number of years he has been vice-president of the Board of Finance of the Kuomintang in Canton. It is understood that the Shanghai branch of the Bank will have connections with foreign banks abroad as correspondents.

Mr. Chow Pei-Chen
周佩箴

Cigarettes To Be Taxed Fifty Per Cent

The Central Bureau of Cigarette and Tobacco Taxes proclaimed on July 1 a regulation that both native and foreign cigarettes and tobacco shall pay stamp taxes to the extent of fifty per cent of their value. On native cigarettes the stamps are to be placed on the cases when they issue from the factory, and on foreign cigarettes the stamps are to be placed on the individual containers at the time the cargo is released from the customs godowns.

These new taxes are to be collected in all provinces of China except Kwangtung and Chekiang. It is announced that with the imposition of the present tax all previous taxes such as the central tax of 25 per cent, the factory tax and all other special provincial taxes are to be abolished.

The new proclamation is signed by Commissioners Sun Chia-yung, Wan Chung-mih and Shih Chia-ling.

New Chinese Municipality Begins to Function

The Chinese Municipal Council of Shanghai, which functions in the territory immediately surrounding the Foreign Settlement and the French Concession, will formally open its new Municipal offices, which are located at the former Taoyin's yamen, next to the Bureau of Foreign Affairs, Sunday. July 10, at 10 a. m.

The Municipal Government for the Chinese area is divided into ten bureaus, at the head of which is General Huang Fu, the new Mayor. Bureau chiefs were appointed during the week as follows:—Finance, Hus Chin-fu; Police, Sung Yi; Public Utility, Huang Yi; Public Health, Hu Hung-chi; Commerce, Pan Kung-chi; Public Welfare, Huang Han-chih; Harbor, Li Yi-chih; Land, Chu Yien; Education, Chu Ching-lung.

Wu Tsung-hsiso has been appointed Chief Chinese Secretary and G. Z. Wood, Chief English Secretary.

Premier Pan Fu Outlines Government Policy

Speaking to a gathering of European and American journalists in Peking on June, 24, P'an Fu, the new Premier, said that the main purpose of the new Cabinet was to continue and complete the great task of driving Communism from China and that although a large part of the Government's attention had be given to military affairs, State business of other kinds would not be neglected. The Government, he said, had a military basis, but was also organized along lines suited to present conditions. In addition to eliminating Bolshevism, the Government sought to bring about a thorough reform in the administrative machinery and the conditions of the people.

The Present War—An Interpretation

BY C. Y. W. MENG

CHINA being in the paradoxical position of having three governments—Peking, Wuhan and Nanking - with internecine warfares going on uninterruptedly since the birth of the Republic. together with internal political corruption, military despotism, financial depletion, moral degeneracy and social unrest,—the world is apt to think that this country is hopeless. The foreign nationals here, in view of the situation telegraphed petition after petition to their home governments for "more' or "sufficient" forces. The landing of foreign forces may rest on the sound doctrine of protecting foreign lives and property, but some time, some glib diplomat may counterclaim that such action of landing forces—even though in violation of one's territorial sovereignty and contrary to international law—is not only to afford protection to their nationals, but is also intended as a great assistance to the Chinese in solving their internal problems.

Such being the mode of reasoning, it is not strange that the newspapers are willing to waste much space to advertise the arrival of certain battalions and the foreign residents of Shanghai are very enthusiatic in welcoming newly arrived soldiers. This creates what is called the "Shanghai Mind" which has the effect merely of disturbing the peace of this locality and spoiling the friendly relations between the two peoples.

But if one will put himself in the same position as a Chinese, and after an effort is made to understand the reason why the present situation tends in such a direction, one is apt to think that there is nothing wrong with China. China is like France at the end of the 18th century in struggling for her liberty and equality; China is like America in the same century in fighting for her independence; China is like all the modern states in their early stages in striving to emerge from medievalism to modernism.

To say that the Chinese militarists are fighting blindly without any definite aim, or that they are fighting only for personal interest and territorial aggrandizement, is only true of wars before 1927. To classify the present war as one of that kind is to indicate the observer's failure to grasp the situation in its true perspective.

How The Present War Differs

The present war differs in many respects from previous ones. In the first place, this war instead of being a hateful one, is welcomed by the people. Instead of being fought blindly, it is fought for some great aim and for some definite policy. To speak straight-forwardly, the present war is fought for the unification of China, the elimination of the imperalists, militarists and communists from China, and the liberalization of China.

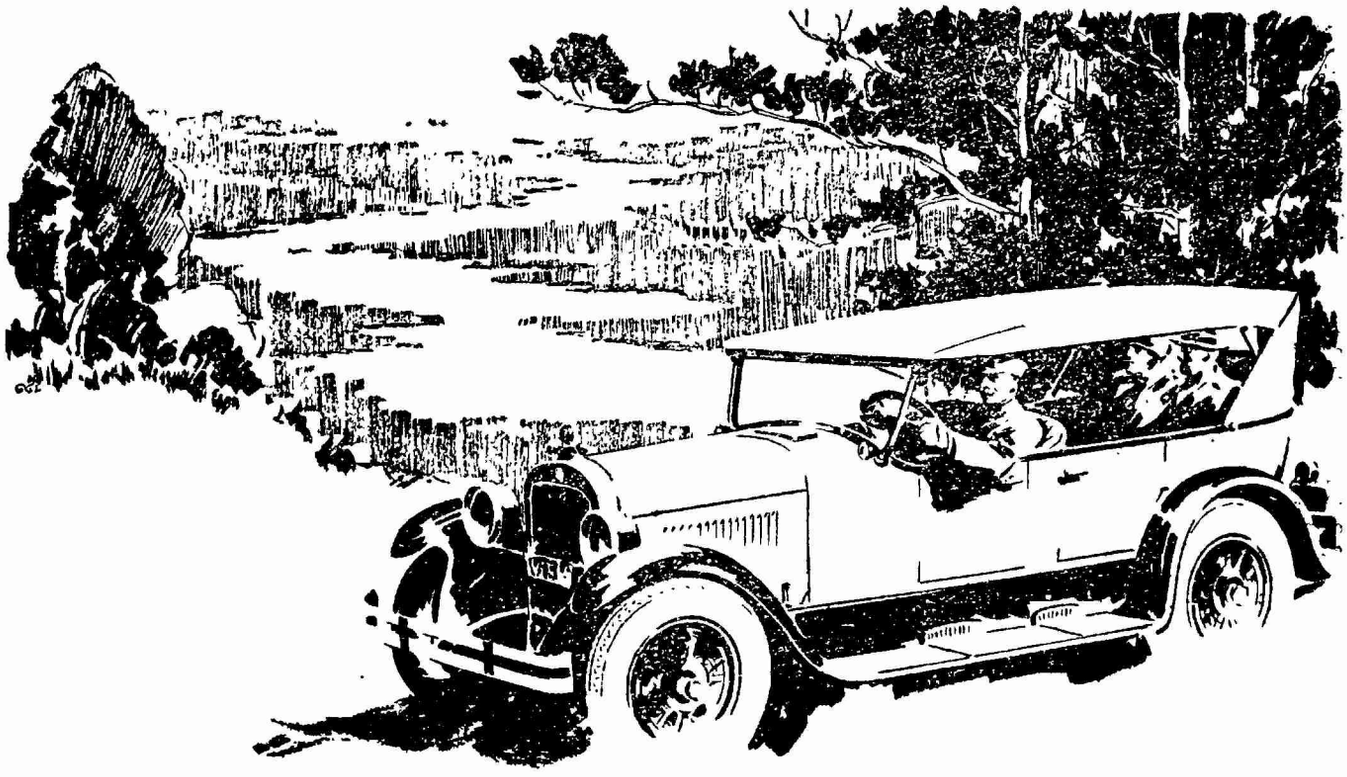
For illustration, let us take an exemple: Wherever, the Nationalist army may go, we have heard "Welcome"; we have seen how the people are busy presenting gifts to the soldiers. But we have never seen the people presenting any gifts to soldiers of Wu Pei-fu, or Chang Tso-ling, or Chang Tsung-chang. The only reason is that the Nationalists are fighting for China and the Chinese. As there are too many obstacles to be overcome, it is inevitable that such a struggle may take time. It is equally inevitable that such a struggle may result in a loss of trade, or even great suffering to the people. But as we are going to reap a great harvest we are neither justified to be pessimistic merely because of the present unrest, nor should we be influenced by the war psychology of other people,

At the outset, the present war indicates that the Chinese people are most eager to set their house in order, and that their national feeling has greatly been aroused. That the lessors are willing to contribute one month's rent as their contribution to the northern expedition, and the people are glad to part with their sweat-earned money to defray the expenses of the troops, shows that the Chinese people are becoming more and more patriotic, and are willing to help those who have the welfare of China in mind.

Farmers and laborers, traditionally regarded as the lowest class of people, are now trying to organize themselves into unions. Is it not a sign that the Chinese are emerging from medievalism to modernism?

To Eliminate Communists and Militarists

When the northern expedition made its start, and the Wuhan Government was guided by men like Borodin, Hsu Chien, etc., there was indeed a fear that China was going to be communized. Indeed, by bringing Borodin along with the



What *"Dependable"* Really Means

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41-189

expedition, the southerners have lost much repute. When the Nationalists came to Shanghai, many laborers, instigated by communists, refused to work. They organized and armed themselves, bearing the title of "inspectorate troops." The laborers of the Commercial Press worked only one hour per day, and the rest of the time was spent for "drill," Schools were closed on account of the inability of the school authorities to comply with the demands of the students in giving them the right to participate in the school administration and the freedom of choosing and dismissing teachers. Such a state of affairs, together with the Nanking incident, gave rise to the idea that a state of "lawlessness" would reign in China.

But all these dangers were averted when the Nationalist Government was established in Nanking and declared as its policy that the communists must be rooted out of China and the radicals must be suppressed. The labor union was reorganized under the proper direction of the Koumintang. Notice was also given to the school authorities that pending the promulgation of the educational act, schools should go on as usual, and any demands presented by the students would not be permitted.

Today, we see that the movement to purge the communistic elements from the Kuomintang, is started everywhere, even in provinces like Hupeh, and Kiangsi where the communistic influence is said to be quite strong. This is regarded as a great and timely turning point in Chinese history.

Abolition of Unequal Treaties:

Probably the fear that a stage of lawlessness under the communistic influence might reign in China is not so much entertained as the fear that the victory of the nationalists would work adverse to the interests, rights, privileges of the foreign nationals in China. Indeed, we admit that under Nationalist control, it is not possible to have unilateral treaties. It is not possible for the foreign nationals to enjoy rights and privileges which Chinese themselves do not enjoy. The Chinese realize that there are Settlements and Concessions the legation quarter, etc, within Chinese territory, where the foreign soldiers are freely admitted and Chinese are admitted only by special arrangement, where the power of control is not in the hands of the owners, but in the Consular Body or certain Councils; thus China is not an independent and sovereign state. So far as the power of taxation is in the hands of others, whereby the Chinese infant industries can neither be protected nor developed China has no way of solving her economic problems.

We also admit that we will regard any one as a friend if he will treat us on principles of equality and reciprocity. But China will look upon the one who refuses to do so as a bitter enemy. China is willing, at the end of her civil strife to spend billions of dollars exclusively for military purposes and is willing to train all her young men to be soldiers, not with the aim of a Napoleon or a Kaiser but rather for the sole purpose of a decisive battle with those who refuse to comply with the Chinese aspirations.

Dr. C. C. Wu Makes Statement to Senator Wheeler

Kuo Wen News Service

During his recent visit to Nanking, Senator Burton K. Wheeler of Montana, U. S. A., called on Dr. C. C. Wu, Minister of Foreign Affairs of the Nationalist Government. In the course of the interview, the conversation touched upon the unfortunate Nanking incident:

"It was an incident," said Dr. Wu, "which every true Chinese Nationalist has reason to regret—and the regret is the more poignant when the fact is considered that it was the work of men instigated by a third party then sheltering under the aegies of the Kuomintang."

Dr. Wu said that "the Nationalist Government, though not morally responsible, is ready to accept responsibility and to make reparation for the damages sustained by American nationals. This is in accordance with the principles governing the attitude of the Nationalist Government toward all foreign nationals residing in Nationalist territory; that is, it will be ar full responsibility for the protection of their lives and property.

Dr. Wu said that he had already indicated to the diplomatic representative of the American Government in China the lines along which the Nationalist Government was prepared to settle the matter. He also said that it was desirable that the American Consul in Nanking should return to his post.

With reference to the charge of anti-foreignism and the opposition to American missionaries, Dr. Wu said to Senator Wheeler.

"Nationalist China is not anti-foreign but anti-Imperialistic. Indeed, Nationalist China has always been sensible of the beneficent services of American missionaries, especially in the interior of China; their efforts in education and medicine being outstanding examples of American goodwill. The Nationalist Government will welcome back the American missionaries to their respective fields to work and make amicable adjustments for the resumption of their activities as time and circumstances permit in the regions recently swept by war."

The New Cabinet at Peking

The following are the members of the new Chang Tso-lin cabinet at Peking.

Prime Minister—Pan Fu.
Minister of Foreign Affairs—Wang Ying-Tai.
Minister of the Interior-Shen Jui-Lin.
Minister of Military Affairs—Ho Feng-Lin.
Minister of Finance—Yen Chih-Pu.
Minister of Justice—Wang Ying-Tai (concurrent).
Minister of Education—Liu Che.
Minister of Industry—Gen. Chang Ching-Hui.
Minister of Agriculture and Labor—Liu Shang-Ching.
Minister of Communications—Pan Fu (concurrent)

Some Of China's Future Lawyers And Judges

This year's graduating class at the Comparative Law School, Shanghai—the faculty members and visitors in the front row being, (left to right) Dr. D. S. Chen, attorney-at-law; Tsang Ming Gee, attorney-at-law; Judge Tsung Hung Seng, Shanghai Provisional Court; Judge Hu Yi Koh, Shanghai Provisional Court; Dr. K. C. Wu, Bureau of Foreign Affairs; Judge John C. H. Wu, Judge, Provisional Court and Principal of the Comparative Law School; Dr. John W. Cline, President Board of Trustees, Soochow University, of which the Comparative Law School is a part; Dr. R. C. W. Sheng, Dean of Law Faculty; Judge Sarkon Ou, Shanghai Provisional Court; Dr. G. Sellett, U. S. District Attorney for China and formerly a member of the Faculty; Judge C. H. Chang member of Faculty; Dr. Yao Yung Li, Dr. Y. M. Chang and Dr. Kung Shih, members of Faculty.

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A Two Thousand Year Old Precedent for the Mississippi

(From the Literary Digest)

LI-PING WAS A CHINESE ENGINEER who lived over 2,000 years ago. Those who may regard the engineering skill of the ancient Chinese with contempt are invited to visit their land and look at some of their works. They were in the class with the Egyptian and Roman engineers, and their opinions are worth studying. Flood control bothered Li-ping just as it does us. The Chinese flood problem is ours, the Yangtze being their Mississippi and the Hwang their Missouri. They have been working at it at least ten times as long as we have, and their greatest rivers are till untamed. Possibly our own efforts to keep our rivers out of the flood-plains that they have prepared for their own special use in emergencies may also be doomed to failure—at least partially. At any rate, Li-ping's views on the subject, as expounded by Lincoln Colcord in the Minneapolis *Tribune*, are worth our careful consideration. Writes Mr. Colcord:

"Two thousand one hundred years ago a Chinese engineer, Li-ping, laid down the correct engineering principle for controlling the flood conditions of a river flowing through a flat alluvial plain. The works which he and his sons established at that remote time, 175 years before the opening of the Christian era, for controlling the waters of the Min River in Szechwan province and distributing them across the great Chengtu plain, are still in perfect operation at the present day.

"Throughout that long period of time they have been the foundation of the prosperity of China's richest agricultural province. Szechwan is the size of Sweden or California; its population has been roughly estimated at forty or fifty millions. The Chengtu plain in the center of the province is an area 100 miles long and sixty miles wide. Across this plain the Min River is distributed in eight main branches, converging at the lower end of the plain to form a single river again, which empties into the Yangtze above the Gorges.

"And throughout this time the engineering principle laid down by Li-ping, without which the whole remarkable irrigation system would have destroyed itself centuries ago, has been strictly and stedfastly followed. Flood conditions are unknown. On the walls of the temple built to the memory of Li-ping and his sons at Kuan-Hsien, where the Min River debouches from the mountains and the ancient engineering works are established, is written this saying, familiar to every Chinese student: 'Shen tao t'an, ti tso yen,' which, translated into English, means:

" 'Dig the bed deep, keep the banks low.'

"We are familar with the fact that the Chinese are not a scientific people. We congratulate ourselves that in respect of scientific, mechanical, and engineering attainments we in America stand in the vanguard of modern progress. Yet to-day we are facing the worst flood conditions ever known in the heart of our nation. And it appears that we have not as yet adopted, or even considered, the only correct engineering principle for controlling those conditions.

"For that principle we have to turn back 2,100 years and listen to the words of a Chinese engineer, the concrete application of whose ideas has furnished the bread of life to millions of human beings for over twenty centuries.

'"Dig the bed deep, keep the banks low.' It is not necessary for a man to have engineering training to see the force of this argument. Given a river flowing through a flat alluvial plain, depositing sediment in its own bottom as it goes and constantly filling up its bed, the building of levees along its banks is courting disaster. The average level of the river will rise between the levees, and the bottom will rise in equal proportion as further sediment is deposited.

"Very soon the levees will have to be built higher. The net result of the process is only to lift the whole river bodily above the plain. This is shown clearly by the Yellow River in China, a river which the Chinese have been unable to control because they were not equal to the mechanical application of the correct principle which they already knew. There are points where 'China's Sorrow' has now been lifted sixty feet above the plain.

"In this process, the danger grows by arithmetical progression. The higher the river is lifted, the greater the head of water with respect to the surrounding region, and the greater the area of flowage when the river breaks through.

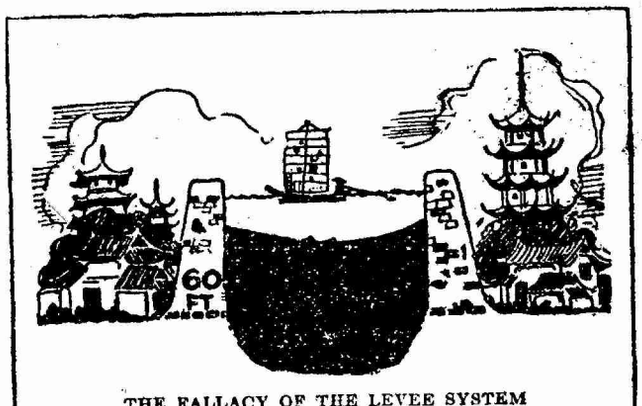
"Ultimately, of course, the process has to stop. In terms of 2,000 years, what we are doing with the Mississippi River is fantastic. Already it has been lifted fifteen or twenty feet above the city of New Orleans. It is easy to foresee a time when it will become an aerial waterway, the levees built up like dams on either bank, nothing ahead but to build them still higher. In the meanwhile the rate of flow will become constantly lessened, adding still another danger in the backing up of the current itself and the increasing deposit in the bottom."

The fact is, asserts Mr. Colcord, that up to the present time we have followed the easiest way in the Mississippi valley, have failed to face the real problem, and have only added to the future task. In actual dollars and cents we have probably expended many times more in vain attempts at temporary control than a permanent engineering plan established from the beginning would have entailed. He goes on:

"Dig the bed deep, keep the banks low,' It should be obvious to any layman's mind that the thing to do with the Mississippi River is to dredge the bottom and deposit the annual sediment on the surrounding country as fertilizing material. This would help to pay the cost of the enterprise; such sediment would have commercial value. Mechancial progress has given us all sorts of efficient mud-sucking dredging machinery. The gift of science to us is the ability to do what China has been unable to do with the Yellow River. But the correct principles must never be departed from.

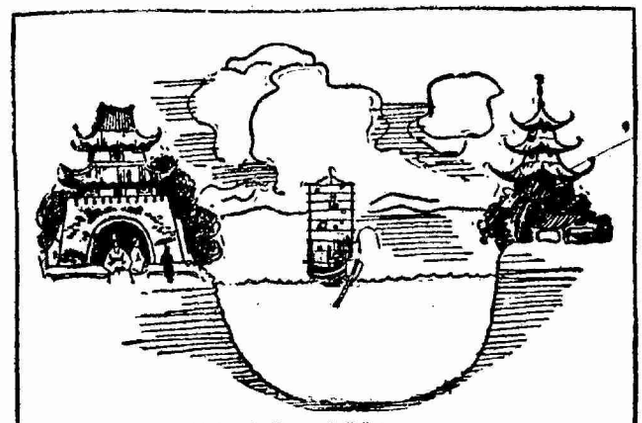
"Mud-sucking dredgers should be put to work up and down the Mississippi River. The river should be brought back if possible to the level of its old natural bed. The levees should be abandoned wherever possible as the level is lowered. In connection with this, there should be a system of dams and reservoirs on the tributary streams for impounding the flood waters. The improvement in navigating conditions alone on the Mississippi River would return the cost of the enterprise to the wealth of the nation.

"But the main item of this centralized plan must be the constant dredging of the river. 'Dig the bed deep, keep the banks low.' The question is not whether we can do it; there is nothing else to do. The question is not whether it would cost too much; there is no other alternative. All other plans only lead to ultimate disaster."



THE FALLACY OF THE LEVEE SYSTEM

Is illustrated by the way the Yellow River, "China's Sorrow," has been filling up its bed with sediment while the levees have been constantly built higher. Now the Yellow River is said to be in some places sixty feet above the level of the plain. In the same way, says Mr. Colcord, we are building up an elevated Mississippi.



Illustrations with this article from the Minneapolis Tribune

"DIG THE BED DEEP, KEEP THE BANKS LOW"

This principle, developed 2,100 years ago by Li-ping, a Chinese engineer, and illustrated in the drawing, has, since 175 years before the Christian era, kept the Min River in Szechwan within its banks.

Dr. Walter Williams Champion Chinese Nationalism

Dr. Walter Williams, dean of the School of Journalism of the University of Missouri and internationally known as the President of the World's Press Conference which met in Geneva last year, will sail from San Francisco for the Far East this week, expecting to spend two months on a tour of Japan, China and the Philippines. Dr. Williams has made several tours of the Far East previously. The Kansas City *Journal* on June 4 contained the following account of an address delivered in Kansas City by Dr. Williams pertaining to the 'rising tide of nationalism' in China:

"China wishes no longer to be a pawn in the hands of Western nations seeking power and trade in the Orient," he said.

"The nationalists of China are seeking to abrogate unequal treaties imposed under duress by Western nations.

"American missionaries in China, attempting to change the Chinese religion, engender animosity by assailing ancient Chinese culture and forcing upon the Oriental a Westernized version of the teachings of Christ.

"The Chinese nation is losing its inferiority complex, and is attempting to do away with the sense of social superiority of Westerners visiting there. Americans abroad leave their manners at home, and thus detract from international neighborliness.

"If Americans understood the Chinese better there would be no unfriendliness. Chinese are very much like Americans. They are democratic, industrious, humorous, and have many of the personal attributes of the average American. This similarity of character should bring about warm, neighborly relations between the two countries.

"Stealing is an unneighborly act among nations, whether it is called by high-sounding names of manifest destiny, imperialism or exploitation. The western nations have stolen from China ever since trade relations began, and the nationalist movement in China is now trying to put a stop to it. America should be the last nation to prevent this action."

Chinese Oppose Increased Taxes in Shanghai

There is pronounced opposition in the Chinese community against the increase of taxes which was voted at the last Ratepayers meeting to take effect from July 1, taxes now being payable at the rate of sixteen per cent on monthly rentals instead of fourteen percent as hitherto.

A large proportion of the increased expense of running the Settlement was incurred by the installation of barbed wire entanglements and other paraphernalia incidental to protecting the Settlement, and the Chinese community has taken the attitude that it will not contribute towards this expense. Advertisements in the Chinese newspapers recently were to the effect that the street unions recommended payment of the taxes at last year's rate.

A strike demonstration in opposition to the increased taxes was held Sunday, July 3. This took the usual form of Chinese "strike", namely shopkeepers closing their doors or shutters. For some reason or other the strike was not very general, although that is not to be taken as an indication that the opposition on the part of the Chinese community to paying these increased taxes is not very pronounced.

At a meeting, under the Chairmanship of Dr. C. T. Wang, held in the hall of the Chinese General Chamber of Commerce, at which about a thousand persons were in attendance, the following resolutions were passed:

1—That the resolution in favor of refusing to pay the new Municipal rates, which was passed at a meeting of the Committee of the Shanghai Settlement Chinese Ratepayers' Association, be adopted.

2.—That a manifesto be issued opposing the increase of Municipal rates.

3.—That a telegram be despatched to General Chiang Kai-shek requesting him to instruct the Commissioner for Foreign Affairs at Shanghai to negotiate with the Shanghai Municipal Council for the cancellation of their decision to increase the tax.

British Coast Fleet Idle as Result of Strike

The entire fleet of China coast vessels belonging to the China Navigation Co. (Butterfield & Swire) is idle owing to a strike of the officers. The breach between the company and its employees was widened when some of the masters refused to comply with a request from the office to move the position of ships lying in the Whangpoo. The company thereupon discharged the employees who refused to obey the order, and in retaliation all the officers, who had previously stood by aboard ship so as to prevent pilfering, abandoned their vessels.

One of the possible results of the strike may be that the great lead which the British have had in the coast-shipping trade of China will be broken.

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Likin To Be Abolished August 1

The Ministry of Finance of the Nanking Government has been instructed by the Political Council to take over the collection of likin from the provincial governments of Kwangtung, Kwangsi, Kiangsi, Chekiang, Fukien and Anhui, this action being preliminary to the total abolition of this tax which is announced to take place August 1.

To make up the deficiency in the revenue, new import and export duties are being levied. Thirty per cent is to be levied on luxuries, 12½ per cent on other commodities, and export duties are to be increased fifty per cent.

Likin is the name in Chinese for inter-district taxation, stations for its collection being in operation every twenty miles or so. Long distance transportation thus becomes impossible in China owing to the likin that has to be paid every time the cargo passes a collection station.

Not only is the system of likin collections inherently bad, but there was no exact legal scale of charges. The result has been that shippers were held up by as much "squeeze" on the part of the collectors as the traffic would bear, somewhat on similar lines to those used by the old "robber barons" on the Rhine.

Details of the new system of taxation and an explanation of the origin of likin will be found in the article entitled "The Financial Program of the Nationalist Government, "by Dr. Kan Lee, on page 135.

Senator Binghan's Interview Appears in American Newspapers

The following message is from the The China Weekly Review's Washington Correspondent:—

Washington, July 6—The newspapers here published an extensive interview with Senator Bingham, who is now in China, in which the Senator advocates that President Coolidge should send commissioners to China to be accredited to the various Chinese Governments at Hankow, Nanking and Peking for the purpose of establishing relations and also for the purpose of drafting a new treaty between China and America replacing the present unequal treaties. Senator Bingham declares in the interview that the old days of imperialism and special interests in China are past and that the Chinese revolution is a fact and that a new day has dawned which the foreigners must recognize. Senator Bingham's interview was given to American newspaper correspondents in Shanghai a few days ago.

Thus far there has been no official response to Senator Bingham's suggestions, Secretary Kellogg's previous suggestions regarding treaty revision apparently still standing as the official American policy toward China. President Coolidge is now on his summer vacation in the Black Hills of South Dakota and although he sees the newspaper men twice a week there has been no statement on the China situation, his apparent intention being to let matters drift for the present. From the standpoint of the State Department, there is likewise no indication of new developments in China policy.

In the course of Senator Bingham's interview he recommended that the American language officers now attached to the Legation in Peking, be assigned to the Hankow and Nanking Governments and also to the government of Gen. Yen Hsishan in Shansi. The State Department, while expressing interest in the suggestion, is not favorably inclined.

From a general standpoint the official Washington viewpoint now is to stand by and wait and see what is going to happen in China, particularly in respect to the military campaign now progressing between the forces of Chiang Kai-shek and Feng Yu-hsiang and Marshal Tso-ling in Shantung province. In a recent article appearing in one of the New York papers one of the Administration officials was quoted as favoring the removal of the American Legation from Peking to Nanking in case the Nationalists decided to have Nanking as their permanent capital following the occupation of Peking by the Nationalist forces or their allies.

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America's Foreign Representation

(Chicago Tribune)

The New York *World*, being displeased with the state department's conduct of recent problems, has sought an explanation through inquiry into the preparedness of our diplomats for the particular jobs they are dealing with. Examining the register, it finds that our representative in charge of the Mexican case have no adequate background of personal knowledge or experience of Mexico. Says the *World*:

"The equipment of the department of state, so far as experience with Mexico goes, may be summed up quite briefly. Twenty-one years ago the under secretary of state was in Mexico for one year. Eight years ago the economic adviser was in Mexico for one year as a technical employe of the Mexican government. For the rest, Mr. Coolidge and Mr. Kellogg depend upon the advice of a series of officials not one of whom has first hand knowledge of modern Mexico.

"How, then, about the staff of the embassy in Mexico City? The ambassador, Mr. Sheffield, was appointed Sept. 9, 1924. He had no previous experience in Mexico, or in any other diplomatic post for that matter. The counselor, H. F. A. Schoenfeld, was appointed March 5, 1924. He had had no previous experience in Mexico, but he had held posts in Venezuela, Paraguay, Uruguay, Bolivia, Brazil. The first secretary, Arthur Bliss Lane, was appointed July 2, 1925. He had had no previous Mexican experience, or even Latin-American experience. The second secretary is H. Dorsey Newson, appointed Jan. 24, 1924. No previous experience. The third secretary is Stuart E. Grummon, appointed Feb. 5, 1924. No previous experience. The commercial attache is George Wythe. The register does not show any previous experience in Mexico. The equipment of the embassy consists, therefore, of officials none of whom has had more than three years' experience in Mexico, not one of whom can be said to have known Mexico before the present oil and other controversies became acute."

We do not recall that the *World* protested when Mr. Wilson selected John Lind, former Democratic governor of Minnesota, to go to Mexico in an especially critical juncture as a special adviser. Mr. Lind was an amiable man and had made a good governor, but he had not the least of the special knowledge for lack of which among his advisers the *World* is so eager to discredit Mr. Kellogg.

The trouble with the state department is not at Mr. Kellogg's door any more, at any rate, than at that of his predecessors. There may be a conspiracy to give Harvard men jobs instead of Yale or Princeton men, but that would be easy to expose and correct. The trouble is one from which all bureaucracies suffer, namely: the assumption that the diplomatic and consular service exists to a considerable degree for its membership. Its personnel is moved and distributed not as a private corporation compelled to produce results would assign its personnel, on the basis of special fitness, but on intradepartment lines which apparently consider special fitness as a secondary matter. To illustrate. A certain consular officer recently accomplished a quite remarkable piece of work. It was the result of years of study in a certain field and of special fitness both of mental equipment and preparation. When it was done this officer, instead of being rewarded by promotion or at least by an opportunity to do more service of the kind, as he would certainly have been in a private enterprise, was sent to an obscure post where his abilities could be utilized only at rare intervals if at all. The explanation for this disposition of an asset of the department was that this official had had a soft snap and ought to serve in a less desirable place for a while. The soft snap meant living in a large city instead of a small inland town.

In other words, the department was not after a maximum of efficiency in the handling of our relations, but was distributing favors in the service.

To illustrate again. There is an American consul at a certain remote post in the far east. He has been there several years. He was born in the near east of American parents, knows the chief language of the region and French, the other important official language besides English, and asked for service in the Levant. So he was sent to Japan, spent more time learning Japanese, and is now at the post referred to. A young man we know is now studying for the service, with already a knowledge of far eastern tongues and conditions. When the hope is expressed that he will be sent to the far east, some veterans' comment is significant. They laugh and predict that he will be sent to South Africa or South America.

There are other weaknesses in our diplomatic and consular organization and management. There are too many snobs in the diplomatic service, men of private means who revel in the social prestige of diplomatic office and quickly become expatriates with an inferiority complex, so far as national feeling is concerned, and a passion for conciliating the aristocratic societies in which they hope to be accepted. The consular service is relatively free from this nuisance, and it has also a

solid foundation of knowledge of the practical interests with which our foreign relations are in the main concerned. We are far from detracting from the intelligent and devoted service of these men and of such of the diplomatic service as are of the same fitness. But with our rapidly expanding international relations, we are convinced that some drastic improvements are needed in the state department. We ought to evolve our own system of foreign representation, which should be founded not upon European traditions but on the realities of our own foreign interests and upon principles of efficiency. That is no easy task, for it calls for drastic reforms and for better provision for upkeep than congress is readily disposed to make. But it would pay well.

Fourth of July Enthusiastically Celebrated in Shanghai

Fourth of July was celebrated in Shanghai with even more than the usual enthusiasm, despite downpours of rain. The principal exercises of the day took place in the compound of the Consulate, which was covered over with matting, and suitably decorated.

The flag raising ceremony at eight o'clock in the morning at the Consulate was largely attended. The United States Marine band played "The Star Spangled Banner" as "Old Glory" was hoisted to the breeze.

At the reception, E. S. Cunningham, Consul General, received the guests, which included not only the great majority of the American community in Shanghai, but also military, naval, consular and judicial officers of all nationalities, including Chinese. Needless to add that suitable refreshments were supplied for the visitors.

A feature of the morning's meeting was an address by Congressman L. C. Dyer of Missouri, who in the course of his remarks on "the Declaration of Independence," stated that he congratulated Americans in China, who, he said, should have the aim always to see that America was right.

Commander C. C. Slayton of the U. S. Navy spoke on "The Flag."

The American Club held open house as usual, Consul General Cunningham making a stirring address.

The ball game at the Race Course was a magnificent exhibition, despite the showers. The Fourth Marines and the Shanghai Amateur Baseball played each other to a standstill in eleven innings, the score standing four to four.

The American Community Lawn Party entertained American children and their friends at the Recreation Ground in the afternoon.

Another Delegation of U. S. Congressmen Coming to China

According to a radio dispatch appearing in the *Manila Bulletin* another delegation of American Congressmen was scheduled to arrive in Manila on July 5 on the U. S. Transport Thomas. The party includes Joseph W. Byrnes, Nashville, Tenn.; Frederick R. Lehlbach, Newark, N. J.; Herbert J. Crane, Hillcrest, Lakeland, Fla.; James G. Strong, Blue Rapids, Kansas; Elmer O. Leatherwood, Salt Lake City, Utah; Robert G. Simmons, Scottsbluff, Neb.; William W. Arnold, Robinson, Ill. They are accompanied by their wives and families.

Representative L. C. Dyer of St. Louis, who has been in Shanghai with Mrs. Dyer as the guests of their daughter and son-in-law, Dr. and Mrs. Daniel G. Collins of Shanghai, are planning to remain here until the end of the month when they will continue their trip around the world. Senators Bingham and Goff who were here for some time have departed for Hongkong, Canton and Manila while Senator Wheeler of Montana and family have departed for Peking on their way home to the United States.

TRAGEDIES OF EASTERN LIFE

By Dr. Lim Boon Keng

This book depicts the life of the Chinese and other settlers in their relation with the natives of the Malay Peninsula. The story is based on real life, although the characters are fictitious. It is thrilling, colorful, and with most of the characteristically Oriental emotionalism.

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Japan's Action Arouses Chinese

To the Editor, *The China Weekly Review*

One of the strongest popular movements that China has witnessed since the inception of the Republic, is the present agitation against Japan for her action in dispatching troops to Shantung. The indignation of the Chinese people is steadily growing and it will soon reach a pitch where they will sever practically all economic relations with the Japanese.

Japan's pretext of protecting her nationals in China is merely a smoke screen to conceal her actual purposes.

The present movement of the Chinese is well organized and fully supported, and we will not slacken our patriotic effort until satisfaction is obtained from the Japanese government.

Japan has long entertained the hope of dominating all Asia. As a preliminary step she has exerted every effort and in all forms to relegate China to a secondary position or to control China altogether.

Ever since the Sino-Japanese war of 1895, the Japanese government has used military, political and economic measures to encroach upon China.

In furthering their cause Japanese militarists and politicians have endeavored in every way possible to cause disturbances and disruption in China. They have impeded the establishment of an effective and stable government by the Chinese in China; they have rendered it difficult, through malicious propaganda, for China to improve her status in the family of nations; and they have attempted in many other ways to cause curtailment to all lines of public activities in this country. To cite a few instances, it may be stated that they were responsible for Yuan Shih-kai's monarchic scheme, the rebellion of Chang Hsun, the Chihli-Anfu and the Chihli-Fengtien wars. They also assisted Chang Tso-ling in crushing the forces of Kuo Sung-ling when they learned that the latter would not permit the Japanese to enjoy the same privileges in Manchuria as did the former. Now, they have moved troops into Shantung and apparently intend to help Chang Tso-lin in resisting the Nationalist advance.

HSU YUNG.

Nanking June 25,1927.

Travels Nearly 2,000 Miles from Kuyuan, Kansu to Shanghai

The Rev. Herman Swenson of the Scandinavian Alliance Mission of America, departed from Shanghai last week for his home in the United States, after what was probably the most thrilling trip of any foreign missionary coming out of the interior of China. Mr. Swenson was accompanied by Mrs. Swenson and their two children, the younger being only eight months old. In a conversation with *The Review* for which paper Mr. Swenson has served as correspondent for several years, Mr. Swenson stated that the trip from Kuyuan, Kansu to Shanghai required more than 40 days and was made by mule-cart, ricsha, railway and steamship.

Mr. and Mrs. Swenson and their children departed from Kuyuan on April 13 and for 18 days traveled by mule-cart to the town of Tungkwan, arriving there at the time that Feng Yu-hsiang, the 'Christian General's forces were moving into Honan. They then proceeded northward again into Shansi over one of the modern roads which Gen. Yen Hsi-shan has constructed, traveling for a period of eight days by ricsha, the distance covered being about 300 miles. The final stage of the trip to Peking was made by military train. In reference to conditions in Kansu, Mr. Swenson said that Feng Yu-hsiang had devoted considerable attention to road construction, requiring the various towns and villages to construct roads connecting with the adjoining towns and villages. Feng has a number of motor cars, including a Lincoln which he uses for himself and in addition some 40 Dodges and Graham Brothers trucks for troop and munition transport.

The only members of the Scandinavian Alliance Mission still remaining in the Kansu-Shensi area are Miss Elizabeth Peterson who is manager of a girls' school at Chenyuan. Miss Peterson who is nearly sixty years of age and has been in China for more than thirty years, refused to leave her post and is thought to be the only woman missionary remaining in the far interior. One other member of the Swedish Alliance Mission, Roy Brehm of Lincoln, Neb., is remaining in Sianfu, the capital of Shensi.

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Men and Events

Frank S. Barks, president of the Lincoln Steel Range Company of St. Louis, Missouri, arrived in Shanghai July 1.

Mr. and Mrs. S. G. Kirkland, of Newport, Oregon, arrived in Shanghai July, 1 by the *President Grant*. Mr. Kirkland is connected with the American Hardware Company.

Miss Luba and Miss Getta Strok, daughters of a well known Shanghai business man, have returned to Shanghai after graduating from a finishing school in Los Angeles.

The Chinese Infectious Diseases hospital at 545 Thibet road, near Avenue Edward VII, Shanghai, was reopened for the present season July 1. Dr. W. L. New and Dr. W. S. New are in charge.

It may be news to many Americans that the Consulate General in Shanghai now issues passports valid for two years, the passports issued here having the same force as those issued at Washington.

Dr. Paul F. Martin and Miss Gladys C. Warren were married in the Community Church, Shanghai, June 28,by Dr. J. V. Latimer. Dr. Martin and his bride are spending their honeymoon at Tsingtao.

The *Literary Digest* for June 11, and the *Living Age* for June 1, magazines of wide circulation and influence in the United States both contained editorial reprints from recent issues of *The China Weekly Review* dealing with the subject of American policy toward China.

Dr. Sao-Ke Alfred Sze, Chinese Minister to the United States, was presented, on June 3, 1927, by the Mayor of Pittsburgh with the Freedom of the City. Mayor Kline made a very cordial speech in presenting Dr. Sze with the Golden Key of Pittsburgh. The ceremony took place at the City Hall.

The Chung Hua Book Co., which operates in Bubbling Well road, Shanghai, the second largest printing establishment in China, with 1,330 employees, closed down during the week. Labor troubles are partly responsible for the cessation of work. The company claims not to be making any money, whereas the employees claim increases based on alleged large profits.

Miss Soumi Cheng, chief judge of the Shanghai District Court, has, in accordance with instructions issued by the local Kuomintang Political Council, ordered the confiscation of shares to the extent of some Tls. 60,000 in the Nantao Waterworks Co. registered in the name of Fu Siao-en, former chairman of the Chinese General Chamber of Commerce, at present residing with his family, in Dairen.

The Institute of Pacific Relations which will be convened at Hawaii from July 15 to 30, this year, will be attended by delegates from China, Japan, Australia, New Zealand, the United States, Canada, and also Great Britain. The object of the meeting will be to make an unofficial inquiry into the vital facts behind the political, economic, social and aspirational tangles of the Pacific countries, and their interrelations.

The China International Famine Relief Commission has issued its report for 1926. The Commission is now more actively engaged in preventing famines than in relieving them. Comprehensive schemes of re-afforestation and hydro-conservancy are recommended by the Commission, but this work must be undertaken by the Chinese Government itself. Accompanying the report is a map showing the work that the Commission accomplished during the year.

Most of the leading officials of the Nanking Government are in Shanghai this week to attend the ceremonies inaugurating the new Chinese municipal administration which takes place on Sunday morning, July 10. Among the officials here are Gen. Chiang Kai-shek, Dr. C. C. Wu, commander of the Nationalist armies; Minister of Foreign Affairs; Dr. Wang Chung-hui, Minister of Justice; Foo Ping-hsiang, Vice-Minister of Foreign Affairs.

The Franciscan Press is the name of a new printing establishment in Boone road, Shanghai, opened by the Franciscans of America. The plant includes a linotype, which was rebuilt in the Mergenthaler factory in Brooklyn. The equipment was originally intended for Central China, but owing to the troubles there the Franciscans will issue their various publications here. The machinery was installed by Joseph Walsh, who came out specially from New York to superintend the erection work here.

Dr. Kan Lee, the writer of the article dealing with the "Financial Program of the Nationalist Government," published in this week's issue of *The China Weekly Review*, is a graduate of the School of Journalism of the University of Missouri and of Harvard University. Mr. Lee, who is now connected with the Nationalist Government at Nanking, served as secretary of the recent financial conference in Nanking that drew up the financial program described in Mr. Lee's article.

Who's Who in China

General Li Yuan.

李垣字鍊六

General Li Yuan was born in 1881 at Peking, his native home. He was graduated from the Russian School of the College of Modern Languages ("Tung Wen Kuan"). He has been to Russia and France where he pursued higher education.

During the Ching Regime, General Li was once magistrate in the Province of Kirin and for a long time an attache to the Chinese Legation in St. Petersburg.

Under the Republican Government, the General served the following offices: Compiler of the Law Department of the Cabinet; Councillor of the same department; Assistant to the Chinese Amban at Kiakhta (Outer Mongolia); Acting Frontier High Commissioner; Councillor to the Amban at Kobdo; Acting Pacification Commissioner for Urga-Kobdo-Uluasutai; etc.

General Li has been assisting Marshal Chang Tso-ling in matters regarding Outer Mongolia. When Marshal Chang was High Commissioner of the Mongolian Frontier, General Li was Senior Councillor. After the downfall of the Kuo-mingchun rule in Peking, General Li was appointed Governor of the Metropolitan District which position he still holds.

General Li is an authority on Russian and Mongolian affairs. His official rank is Brigadier General.

American Overseas Warehouse Co. Opens in Shanghai

The American Overseas Warehouse Co. Inc. (Delaware) formally opened its Shanghai offices in the Bank of Taiwan building on the Bund, July 1, when a reception was held from 10 a. m. to noon in the spacious suite of rooms which the company occupies.

The Shanghai manager is William P. Hunt, former U. S. Vice Consul at Tientsin. The executive offices of the company are in Tientsin. A branch is also in operation at Hankow.

The principal business of the company is the manufacture and sale of various egg products, a large and modern factory for the preparation of which is at present being built in the Yangszepoo district, under the supervision of Andersen, Meyer & Co., Ltd. Apparatus is being installed to freeze, to dry and to concentrate both yolk and albumen.

In addition to the egg product business, the company will, as its name indicates, engage in a general warehouse business, extending packing credits, acting as customs brokers, and all similar operations.

At the reception last Friday several hundred of the leading Chinese were in attendance, among them being many bankers.

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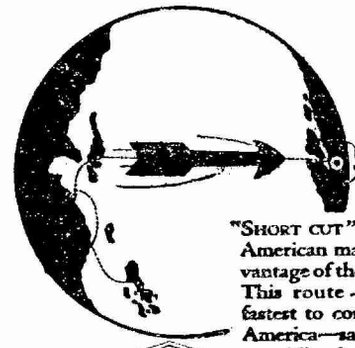

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41-197

The Present Status of the Military Situation

BY J. B. P.

Tsingtao went over to the Nationalists on July 4, resulting in stoppage of railway traffic between Tsingtao and Tsinanfu.

July 1, which marks the mid-year period, finds the Nationalists in control of practically all territories south and westward of the Yellow River, plus Shansi province which is controlled by Gen Yen Hsi-shan, the so-called 'model' tuchun, who is in alliance with the Nationalists. The only fighting of consequence which is now taking place is in Shantung province where the forces of the 'Christian General', Feng Yu-hsiang and Chiang Kai-shek are cooperating to drive the two Fengtien or northern commanders, Chang Chung-chang and Sun Chuan-fang north of the Yellow River. As this is written (Monday, July 4) Feng Yu-hsiang's forces have advanced into southwestern Shantung and have occupied the town of Tsaochowfu while Chiang Kai-shek's forces have occupied the town of Yenchowfu on the Tientsin-Pukow Railway and are pressing north upon Tianfu, a stronghold of considerable consequence owing to its location within a narrow mountain pass which is most difficult to penetrate. At the same time another of Chiang

Marshal Wu Pei-fu Who Has Gone To Szechuen

Kai-shek's armies under the command of Gen. Bei Tsung-chi is advancing northward into Shantung in the direction of Tsingtao but really aiming at Weihsien on the Tsingtao-Tsinanfu Railway where Gen. Sun Chuan-fang has been maintaining his headquarters. Sun in the meantine has moved most of his forces from eastern Shantung to Tsinanfu.

Tsinanfu, the Real Objective

The objective of the various Nationalist armies advancing into Shantung is Tsinanfu, the capital of the province which is located just south of the Yellow River on the Tientsin-Pukow Railway. According to reports from the Shantung battle-front the chief resistance which the Nationalists have encountered has been the White Russian mercenaries attached to the armies of Gen. Chang Chung-chang, tupan of Shantung. The Russians have been a hard nut to crack owing to their use of armored trains equipped with machine guns and artillery. However, according to report Gen. Chiang Kai-shek's forces succeeded in cutting off two of these trains at Yenchowfu and capturing the entire outfit including three badly needed locomotives. In addition to this Gen. Chiang Kai-shek's forces, through the capture of Lincheng, several days ago came into possession of the Shantung coal mines and connecting railway at Tsaochwang in southern Shantung. Thus he is provided with greatly needed fuel for operating military trains along the southern end of the Tientsin-Pukow line.

The Campaign North of the Yellow River

What the next step of the Nationalists will be following the capture of Tsinanfu, is not known, but probably depends upon the activities of Gen. Yen Hsi-shan, tupan of Shansi province. According to all available information, the chief job of driving Chang Tso-ling from Peking should devolve upon the Governor of Shansi, but thus far he has not moved further than concentrate large forces at Pingtingchow on the railway connecting Taiyuanfu the capital of Shansi with the Peking-Hankow Railway and also in the territory westward of Kalgan on the Peking-Suiyuan Railway. Yen is thus in a position to force an early evacuation of Peking on the part of the Fengtien forces, but as stated previously he has not moved. Whether his delay is due to a continued desire to preserve neutrality or whether based upon strategy is not known. Marshal Chang Tso-ling has been sending emissaries to Taiyuanfu in a constant and desperate effort to induce Yen Hsi-shan to remain neutral, but according to the Japanese *Toho* news agency reports, Yen has refused to see these agents.

Chang Tso-ling'sPredicament

Gen. Yen Hsi-shan's delay in moving his troops has naturally complicated things for Chang Tso-ling, for the Mukden 'Generalissimo' has been forced to keep large forces on the Shansi border in preparation for Yen's advertised advance, while on the other hand the advance of Feng Yu-hsiang and Chiang Kai-shek into Shantung has forced Chang Tso-ling to send several regiments of his trusted Fengtien troops down the Tientsin-Pukow Railway into northern Shantung in order to prevent a complete rout on the part of the forces of Generals Chang Chung-chang and Sun Chuan-fang who are defending that sector. Although it is next-to-impossible for a foreigner to understand the inwardness of military strategy in China, it appears that the Nationalists are trying to bottle up Chang Tso-ling in the Peking area in order to prevent him from escaping with his army into Manchuria. It has been reported all along that Feng Yu-hsiang has been telling his troops that Mukden is the real objective of the Northern advance and if this is true, it is natural that Feng Yu-hsiang and Chiang Kai-shek would try to work it so that Chang Tso-ling's troops could be cut off, which, of course would simplify the Manchurian campaign.

The Situation at Nanking

There have been the usual stories about the imminence of a fall of the Wu-Han Government, but latest reports have it that the Wu-Han Government is still functioning. The *People's Tribune*, organ of the Wu-Han Government in its issue of June 30 carries a story to the effect that the reports that the Labor Union Headquarters had been occupied by soldiers and that the union officials had gone into hiding, was entirely unfounded and were based upon a misunderstanding. It seems that the labor pickets, who were held responsible for the present disturbed business conditions in Hankow, were disarmed, consent having been given by Shou Chen-ging, Minister of Labor of the Wu-Han Government. The soldiers under Gen. Li Ping-hsien, responsible for this action, then proceeded to occupy the Labor Union Headquarters in violation of orders, but according to the explanation in the *Tribune* the soldiers were shortly dislodged and the building restored to its previous occupants. However, it is certain that *something* has happened at Hankow for the same issue of the *Tribune* containing the foregoing, also contained a report that Tan Ping-shan, Minister of Agriculture,, had asked for leave of absence on account of 'illness.' In a letter giving his reasons for quitting his post, Mr. Tan stated "I have tried my best to perform the important duty of improving peasant conditions and have consistently done my best to set the peasants movement right. Recent developments have made the political situation so serious that to put the peasant movement on the right track has been too heavy a responsibility for me.'

Is Feng Yu-hsiang Moving on Hankow?

One explanation for the changes which have taken place at Hankow recently, is that Feng Yu-hsiang is moving an army in the direction of Hankow for the purpose, according to the announcement, of forcing the Chinese Communists and Russian advisers out and also for the purpose of forcing a combination of the Wu-Han and Nanking Governments. According to the report, Gen. Feng Yu-hsiang has sent a considerable force into southwestern Honan which occupied the town of Nanyang previously held by two divisions of Wu Pei-fu's troops. These troops, it seems, were disarmed and Marshal Wu Pei-fu forced to flee toward Szechuen, following which Feng's forces have moved down the Han River in the direction of Hankow. The nearing of these forces naturally forced the Wu-Han Government to do some house-cleaning, but whether Feng will actually go to the extent of trying to occupy Hankow remains to be seen. Gen. Tang Shen-tse, the supporter of the Wu-Han government has moved most of his forces southward into Hunan province, where, according to report he may decide to launch an attack on the pro-Chiang Kai-shek forces in Kwangtung province and Canton. Whether he will also attempt to prevent Feng from occupying Wu-Han also remains to be seen. At any rate the Wu-Han Government is still functioning as these lines are written and so far as can be determined it still has the support of the labor and peasant classes, although some of the more radical members of the Government apparently have been forced to get out or modify their activities.

From the Chinese Press

June 27—Chang Tso-ling moves his 'generalissimo' headquarters to the former presidential yamen—Baron Tanaka opens conference of Japanese consuls in Tokyo, stating that purpose of conference is to formulate policy on China—Koo Ying-feng, Nanking Finance Minister prepares to return to Canton following close of Nationalist Financial Conference; Chien Yun-ming will act in his absence—Turkish Ambassador to Japan warmly welcomed to Nanking by Chang Kai-shek and C. C. Wu—400 American Marines, 4 officers and several machine guns arrive in Tientsin from Shanghai —*Kuo Wen* report states that all important documents of the American legation in Peking have been removed to Tientsin for safe keeping—Chiang Kai-shek awards staff and workers on Tientsin-Pukow Railway the sum of $10,000 —Nationalist Ministry of Finance at Nanking decides to remit the sum of $2,000,000 to organize Central Bank at Shanghai and alse decides to use portion of the 2½ percent Customs surtax to the bank as capital—Nanking Government decides to levy a 'two-months' house-tax to raise funds for Northern campaign—Chiang Kai-shek goes to Tangshan hot springs—Chew Jao-hsu arrives in Nanking as delegate from Yunnan for conference with Chiang Kai-shek—Gen. Bei Bao-shan's newly-organized 31st Nationalist army advances from Haichow in the direction of Tsingtao—Chinese ratepayers in Shanghai continue protests against payment of the 2 percent increase of Municipal taxes.

June 28—Pan Fu, primier in *Toho* interview states that the war between North and South is now at standstill and there was hope of coming to terms peacefully—Members of Japanese House of Representatives of Japan, who were planning trip to China, decide to postpone the trip until September—*Kuo Min* Agency (Nanking Government) distributes long statement on "Soviet Imperialism in China"—Chekiang Provincial Government orders 25 percent reduction in rental of all farm land, the order providing that in case of famine, further reductions will be made—Koo Kung-chen editor of the *Eastern Times*, Shanghai appointed as China's delegate to conference of 'international press experts' at Geneva on August 24—Fengtien forces constructing defenses between Peking and Paotingfu—Chang Hsueh-liang, son of Chang Tso-ling, departs suddenly for Mukden—Nanking report states that subordinates of Tang Shen-tse are planning a rebellion against the Hankow Government—Yang Yu-ting, chief-of-staff of Fengtien army also suddenly returns to Mukden from Peking—Tsinanfu report states that Wu Pei-fu, who is now a refugee in Honan, has sent an agent to Tsinanfu to obtain help from Chang Chung-chang—Provincial Bank of Mukden issues $20,000,000 in new notes—Nanking Government according to *Kuo Wen* plans early abolition of likin tax throughout Nationalist territories—Li Hur-sung, Managing Director, of the Shanghai-Nanking and Shanghai Hangchow Railways, notifies all employes that all receiving wages below $15 a month are to be raised to $15.

June 29—*Toho* report from Canton states that Japanese boycott in that city is not serious, although exchange shops have ceased handling Japanese money and there is a shortage of Japanese sea products—Hankow *Toho* report states that Feng Yu-hsiang has suggested as a compromise between Hankow and Nanking that Chiang Kai-shek shall discontiuue his 'autocracy' and that Hankow shall send certain members of the Government abroad for 'study'—Hankow report states that discord has developed between the 8th army and the Communists owing to the confiscation of the soldiers' lands in Hunan, including the land belonging to Gen. Ho Chien; Government trying to patch the matter up—Japan and Germany have practically reached agreement on commercial treaty—Fengtien fortifying Huailai and Hsuanhua on Peking-Suiyuan Railway—Chang Tso-ling sends Gen. Shing Shi-lin, commander of the Peking defense forces to Tai-yuanfu for the purpose of reviving the negotiations with Yen Hsi-shan on the subject of a compromise between Chang Tso-ling and Chiang Kai-shek—*Toho* report from Hankow states that Honan is now practically dominated by Feng Yu-hsiang and that it is rumored that Hsu Chien is being held a prisoner by Feng; also reported that Wu-Han finances are again running low, causing some officials to leave; reported that while Feng Yu-hsiang and Chiang Kai-shek may have effected a compromise, that Wu-Han has not yet declared its attitude—Tokyo report states that despite Japanese protests the Chinese are proceeding with the construction of the Kirin Kainei Railway and that ground was broken with elaborate ceremonies on June 25—Menlin Chiang appointed president of 3rd Chungshan University of Kiangsu and Chang Nai-yen made president of 4th Chungshan University; post of educational commissioner of Kiangsu abolished—Nanking report states that Lincheng and Nincheng captured—Bei Chung-chi captured Lichiachwang—Chang Chung-chang and Sun Chuan-fang inform Tsinanfu con-

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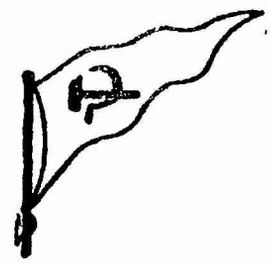

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suls of their intentions to cooperate in the protection of foreigners—Chang Tso-ling sends Sun Chuan-fang $130,000 and 100 cases of ammunition—Shantung forces construct fortifications at Yenchowfu—Chiang Kai-shen notifies Anhwei, Fukien, Kiangsu, Chekiang, Kwangtung and Kwangsi provinces to remit all national revenues to Nanking Finance Ministry—Municipal Government to be formally established in Shanghai by Nationalist Government on July 7—Kuomintang notifies all merchants in Shanghai to hoist the National flag on July 1, the anniversary of the founding of the Nationalist Government—*Kuo Min* (Nanking Government) news service states that Dr. C. C. Wu informed Senator Wheeler that all true Nationalists regret Nanking incident and although the Nationalist Government not morally responsible, that the Government will assume responsibility and make reparations; that the American Government had already been notified to this effect; that the Nationalist Government is not opposed to the missionaries—*Toho* urgent wire from Hankow states that the 8th army broke up the Wu-Han picket corps and that the leaders of the General Labor Union had disappeared following the occupation of the Union headquarters by the 8th army.

June 30—Kuo Min News Agency (organ of Nanking Government) states that Political Council of Central Executive Committee, in accordance with a petition from Koo Ying-fan, Minister of Finance, had decided to abolish likin tax and similar inter-provincial levies throughout provinces of Kwangtung, Kwangsi, Kiangsu, Chekiang, Fukien, and Anhwei beginning with August 1, 1927 and in place of this a new schedule of import tariff will be inaugurated including 30 percent on luxuries and 12½ percent on general commodities excepting wines and tobaccos which will be subjected to special treatment—Nanking Nationalist Government abolishes all free passes for government officials and military on railways and will provide officials with travelling allowances instead—*Nationalist News Agency* (Hankow official) states that Japanese concession in Hankow is used as center for law-violaters who are given protection; that it is believed that counterfeiters are even harbored and that a tense situation exists in respect to Sino-Japanese relations—Hankow report states that Gen. Tang Shen-tse has issued to labor and communist and counter-revolutionary elements a warning to cease their activities and asking the peasants and volunteer units in Hunan to dissolve - Tang has instructed his troops in Hunan to adhere to the Sun Yat-sen principles and discontinue communism and since communism is unsuited to China, further communistic acts will be punished—*Toho* report from Tsinanfu states that intense excitement prevails as result of the advance of the Southerners and retreat of Chang Chung-chang's men; provincial bank notes again slump and financial panic prevails—Consul-General Yada from Shanghai addresses Japanese China Conference in Tokyo—*Toho* report from Canton tells of worsening of boycott situation against Japanese as a result of Japanese troop landings at Tsingtao, the boycotters demanding discontinuance of Japanese ships for Chinese passengers and cargo, no dealing in Japanese bank notes, merchants dealing in Japanese goods must dispose of same under official permission of Chamber of Commerce, withdrawal of deposits from Japanese banks—Japanese ships have difficulty obtaining cargoes at Canton, Swatow, Amoy, Japanese reports stating that the movement is secretly supported by departments of the Kwangtung provincial government—Tsaochwan, town southwest of Tsinan captured by bandits while Tanhsien, south of Tsining in Shantung has been captured by troops of Li Tsung-jen; Chang Chung-chang trying to make defense at Yenchow and trying also to recapture Tanhsien—Dr. Wellington Koo, former premier and foreign minister departs for Peitaihao for summer—Ma Ju-ren's forces in Shantung surrender to South and are incorporated into Nationalist forces—Japanese begin construction of trenches at Tsingtao—Nationalists launch attack on Tsining, Shantung—New Municipal Government at Shanghai which will be established on July 7 will have the following department heads: Hsu Ting-lien, Financial Bureau; Sung Yu-ling, Bureau of Public Safety; Pan Kung-chan, Labor and Commerce; Chi Yu-tse, Harbor Bureau; Sung Chung-yi, public utilities; Hu Hung-chi, public health; Hung Han-tse, Public Interest Bureau; Huang Pai-chiao, Engineering; Chu Ching-lung, Educational Bureau; Chu Yen, Land Bureau—*Kuo Wen* states that Central Political Bureau at Nanking has voted to issue National Salt Surplus Bonds to the amount of $10,000,000.—*Kuo Wen* states that as result of conference between Hsu Ko-shen of Chinese Chamber of Commerce and Major Hilton-Johnson of the Shanghai Municipal Council, the Council will postpone collection of the increased taxes on Chinese and only apply them to the foreigners until a final agreement has been reached with the Chinese on the question of Chinese representation—Nationalist Government protests increased tax rate in International Settlement on grouuds of lack of Chinese representation when the new rates were voted.

July 1—Rear Admiral Araki, commander-in-chief of Japanese First Service Squadron, and staff, went to Hankow—China Navigation Company's British officers and men go on strike—Gen. Li Chi-shen at Canton rounds up some 200 radical labor leaders—*Toho* dispatch from Tokyo states that Japan does not intend to dispatch troops to Tsinanfu, and that previous reports to this effect are not correct—Chang Tso-ling issues orders for the maintenance of official discipline, improvement of taxation, against diversion of customs surtaxes, unification of finances, etc.—*Toho* report from Hankow states that Gen Li Pin-hsien, commander of the 8th army has relaxed his restrictions on the General Labor Union and that Su Chao-chang, leader of the General Labor Union has re-occupied his premises and that the soldiers have been withdrawn; Kuomintang members send telegram asking for return to Gen. Tang Shen-tse from Changsha; rumored that Tan Ping-shan, Teng Yen-ta and Kuo Mo-yao, leading communists are preparing to depart—Owing to situation becoming unfavorable in Shantung to Northern troops, Chang Tso-ling orders 11th Fengtien army to Techow—Seamen's Union in Hongkong trying to prevent Chinese from using British steamers between Hankow and Nanking—Hongkong Government breaks up Seamen's union headquarters and attempts to prevent anti-Japanese boycott in Hongkong, according to *Toho*—China Conference in Tokyo, participated in by Japanese Minister and Consuls from China considers question of more definite Japanese policy in respect to Manchuria and Mongolia—Hongkong report states that anti-Japanese boycott in Canton has been postponed for one week—Gen. Yang Yu-ting returns to Mukden from Peking—Japanese attempt to restore traffic between Hankow and Hsiangtan—Gen. Yen Hsi-shan appointed member of Central Political Council of Nationalist Government at Nanking; Nanking proposes to issue loan of $60,000,000 on Salt revenue—Nanking denies report of defeat of Nationalist troops at Yenchow, Shantung—Shanghai Ratepayers set forth grievances in letter to Municipal Council enumerating long list of abuses and discriminations against Chinese residents—Provisional Committee of Chinese Ratepayers in Shanghai formally assumes office, composed of C. T. Wang, Feng Shao-san, Yu Ya-ching, Wang Han-liang, Sung Han-chang, Yeh Hui-chung, Francis Zia, Yang Chien-Wu, Chiahau, Chen Chu-seng, Yu Tse-chen, Wu Kai-sung, Fan Pei-chen, Lu Ting-chien, Wu Yung-tsai, Lin Kang-hur, Chen Kwang-fu, Chang Hsiao-lin, Tu Yueh-sung, Wang Yen-sung and Chen Hsueh-tsung; issue lengthy statement to public setting forth Ratepayers side of case—Gen. Chu Yu-puh goes to Shantung front—*Kuo Wen* report states that Yan Hsi-shan has decided to advance into Chihli—Reported that Sun Chuan-fang will withdraw his troops from Shantung to Changchow.

July 2—Toho states that Japanese consulate and naval quarters in Ichang occupied by Nationalist 2nd army, also property of Asiatic Petroleum Company—Chinese Post Office in Peking opens 'telephotographic' service between Peking and Mukden, the charge being $1.50 to $6 for each photograph—China conference in Tokyo discusses Manchurian-Mongolian affairs, statement being made that it is advisable for Japan and Russia and China to cooperate—Japan's Young Men's Association arranges for three week's tour of Korea and Manchuria—Japanese definitely deny report that their troops are to be sent from Tsingtao to Tsinanfu—Authorities in Mukden become agitated on receipt of reports that 26 Chinese girls graduates of the 'science of bolshevism' in Moscow have arrived in Mukden for the purpose of creating disorder—Sun Chuan-fang's troops numbering 20,000 being transported to Taianfu owing to unreliability of Chang Chung-chang's troops—Some 45 Japanese refugees returned to Soochow from Shanghai—Provincial bonds in Hunan drop to 48 cents on the dollar—*Kuo Min* (Nanking) agency announces details of cigarette tax—Shanghai Women's War Relief Association announces plans for bazaar to be held at Nanyang University—6th Nationalist army under Gen. Ho Chian occupies Yenchow, the Northern troops retreating to Tsinanfu which is expected to be captured shortly—Japanese Minister, in Peking instructs Japanese Consul-General in Nanking to protest against the imposition of the Customs surtax on exports and also to inform Gen. Chiang Kai-shek that the Japanese are not dispatching troops to Tsinanfu—Peking authorities arrest many students from the South who have arrived recently in Peking—Gen. Yang Yu-ting, chief-of-staff of Fengtien cancels trip to Mukden—Marshal Feng's troops reach Liuchiamiao in advance southward toward Hupeh border; Feng Yu-hsiang is at Hsinyang; reported that Wang Ching-wai, has written Feng Yu-hsiang stating that he desires to go abroad—Li Hur-sung, Managing Director of the Shanghai-Nanking and Shanghai-Hangchow Railways announces that owing to previous corruption in the materials department, that a complete reorganization has

New Books of Interest in the Far East

China And Her Political Entity

A Study in the Foreign Relations of China, with reference to Korea, Manchuria and Mongolia. New York: Oxford University Press. (English price: 12/6d.).

Dr. Hsu colors an authoritative work by an unauthorised preface. Unauthorised, not because Dr. Hsu's qualifications and reputation are not of the highest, sufficient to justify him in any expression of personal opinion, not even because his work should be rigidly classed as objective historical record rather than a political polemics, but because he identifies himself with the old school of diplomats whom the young rulers of the world cannot do away with. If you suggested to Dr. Hsu that Russia was following something wider than the Imperialist policy of Peter the Great, he would smile incredulously and refer crushingly to the hagglings of Joffe and Kharakhan with the reactionary Peking government. He has no sympathy with the new school which flies off into fanciful belief in such things as the proletarian brotherhood of the world transcending old Nationalist barriers. He sticks closely to the well-worn channels of diplomacy, and is quite content to conclude from time to time that "no compromise is possible"; in such cases, as for instance that of Manchuria, all that is necessary for China is another ally to offset, it may be, Japan. If only the Balance of Power could be introduced into the Far East in full working order, Dr. Hsu would be happy, provided, that is, that the scales were in favor of China. Briefly, he is a Nationalist of the Nationalists. And what a poor breed it is! When it is victorious it is Imperialist, but so long as it is under-dog it fawns. Says the Internationalist Wu-Han Government proudly: "We do not want the pity of our oppressors!" Says Dr. Hsu: "The present disposition of America to acquiesce in 'accomplished facts' is, let us hope, merely one of those aberrations of foreign policy initiated by the Wilson administration. . . . . Is it possible now (1926) that a frank return to the active policy of restoring the complete control of Manchuria to China as pursued consistently by the McKinley, Roosevelt and Taft administrations, is presaged?"

And yet History would be the poorer without such students as Dr. Hsu. What he himself says of two other works in English on the same subject by Chinese authors, is also true of him, namely, that "the tradition of scholarship, of which China in the past was justly proud, is not entirely dead". His mastery of the English language alone would rank him high among present-day writers, for into the well-ordered bones of diplomatic style he infuses a life and directness which carry the reader irresistibly to the end of the story. The subject of the book, indeed, described in the sub-title, is one well worthy of Dr. Hsu's conscientious ability, and calculated to hold the interest of any serious student of the Far Eastern situation. No Oriental library should be without this book.

J. D. M.

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been effected in favor of an 'open' policy in the future.

July 3—Chang Tso-ling issues order exempting local Peking citizens from various kinds of local police taxes—Ku Hung-ming, Chinese scholar who has been in Tokyo, departs for Dairen—Dairen Engineering Works, Japanese concern locks out all Chinese striking operatives—Chinese wharf coolies in Canton employed in Japanese shipping, go on strike—Chinese Conference in Tokyo considers the problem of damages suffered by Japanese residents of Yangtsze Valley and according to the reports the Japanese losses will amount to Yen 700,000 in connection with the Nanking and other affairs and that it is expected that China will pay this ultimately, but for the present the Japanese Government will make an advance to relieve the refugees and also to assist them in returning to their posts—*Reuters* report from Hankow states that earlier reports that the Russians had departed are incorrect, but that they are expected to leave shortly—*Toho* report from Hankow states members of the Communist party in Hankow are converting their paper currency into silver preparatory to departure; that Teng Yen-ta's present whereabouts are uncertain; that the real outcome of the struggle between the Communist faction and the moderates depends upon the strength of Gen. Chang Fa-kuei's 4th and 11th armies which are thought to be about as strong as Gen. Tang Shen-tse's troops—Vernaculars report that Feng Yu-hsiang is moving a force toward Hankow by way of the Han River and that all forces of Wu Pei-fu in southwestern Honan have been

(Continued on page VI)

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Grover Clark, Editor

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German Governments S. F. Loan.....	7	Oct. 1, 1949	107⅛	106⅛	6.45
Deutsche Renten Bank 1st Lien Farm Loan	7	Sept. 15, 1950	102½	101	6.90
Saxon Public Works Inc. 1st Mtge. Guaranteed S. F. Loan....	7	Feb. 1. 1945	102½	102	6.80
German General Electric Co. S.F. Loan....	7	Jan. 15, 1945	104⅛	104⅛	6.55
Finnish Guaranteed Municipalities S. F. Loan	6½	Oct. 1, 1954	99	98	6.65
Chicago. Rapid Transit 1st. & Refunding Mtge.	6½	July 1, 1944	98	98	6.70
Northern Ohio Power & Light Co. Debentures .	6½	Jan. 1, 1941	98½	98½	6.65
Cuban Domin. Sugar Co. 1st Lien S. F. Loan...	7½	Nov. 1, 1944	100½	100	7.50
Camaguey Sugar Co. 1st. Mtge. S. F. Loan	7	Oct. 15, 1942	100½	100⅛	7.00
Pennsylvania Dixie Cement Corpn. Cumulative	7	Pfd. Stock		98	7.14
Victor Talking Machine Company Cum. Prior..	7	Pfd. Stock	98½	98⅛	7.13
Willys Overland Co.....	7	Pfd. Stock	91	91	7.69
The National City Bank of New York.....	20	Stock	549	545	3.67.

The National City Company, The National City Bank Building, No. 2A Kiukiang Road, Shanghai, China.

These quotations are subject to confirmation by the National City Company of New York.

Shanghai Exchange for Week Ending Wednesday, July 6, 1927

By Maitland, Fearon and Brand

Echange:—A decline of ⅛d. in the spot price and 1/16d. in the forward price of Bar-Silver in London has taken place during the past week, today's quotation is 25⅝d. ready and forward.

The official T/T rate on London remains unchanged @ 2/6⅛d. The exchange market continues quiet, export paper is being placed in fair quantities and the demand against imports is still very small. It is estimated that the speculators' oversold Yen position has been considerably liquidated. The market closes with a sagging tendency. The following rates are available:—T/T on London 2/6⅝d., New York 62, Yen 76⅝.

Our stocks of silver are reported as follows:—

Sycee and Bar Silver.....Tls. 71,832,000 a decrease of Tls. 1,825,000

Chinese and Mexican Dollars.....$ 78,480,000 a decrease of $ 750,000

Estimated value Tls. 128,337,000 as against Tls. 126,708,000 held at this time last year.

	Average rates for June	Thursday June 30	Friday July 1	Satur. July 2	Mon. July 4	Tuesday July 5	Wednesday July 6
Bank's selling rates		*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*
T/T London	2/6.636	2/6 7/16			2/6 1/2	2/6 1/2	2/6 1/2
D/Dfts ,,	—	2/6 9/16			2/6 9/16	2/6 9/16	2/6 9/16
4 m/s ,,	—	2/6 3/4			2/6 3/4	2/6 3/4	2/6 3/4
T/T India	170.708	170 1/4			170 1/2	170 1/4	170 1/2
T/T France	1.571.416	1575			1575	1575	1575
T/T N. Y.	62.021	61 3/4			61 3/4	61 3/4	61 3/4
T/T Hamburg		61 7/8			61 7/8	61 7/8	61 7/8
T/T H'kong		260			260 1/2	260 1/2	260 1/2
T/T Japan	78.615	78 3/4			78 3/4	78 3/4	79
T/T Batavia	75.333	76 1/8			76 1/2	76 1/2	76 1/2
T/T Straits	154.312	153 1/2			153 1/4	153 1/2	153 1/2
Bk's buying rates	90.844	91 1/4			91 1/4	91 1/4	91 1/4
4 m/s B/L. Cred/D/A	2/8.636	2/8 1/2			2/8 1/2	2/8 1/2	2/8 1/2
4 m/s ,, D/P	—	2/8 5/8			2/8 5/8	2/8 5/8	2/8 5/8
6 m/s ,, B/L Cred D/A	2/8.948	2/8 13/16			2/8 13/16	2/8 13/16	2/8 13/16
4 m/s B/F Cred D/A or D/P						1705	1705
4 m/s N.Y.Lc.	1,710.416	1705			1705	1705	1705
4 m/s ,, Docs	65.521	65 1/4			65 1/4	65 1/4	65 1/4
	—	65 3/4			65 3/4	65 1/2	65 3/4

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling. Bullion.	June 30	July 1	July 2	July 4	July 5	July 6
*London Price of Bar Silver per oz, (English Standard 925 touch)...Pence						
**New York Price of Bar Silver per oz, (Pure)	26 1/8			26	25 7/8	25 7/8
	G. $.56 3/8			G. $. 56 7/8	G. $.	G. $.56 7/8
Shanghai Price of Gold Bars (weight Tls. 10 (Chanping) 978 touch).....	Tls. 364.70	HOLIDAY	HOLIDAY	Tls. 371.60	Tls. 369.90	Tls. 369.90
Shanghai Silver Bars (weight Tls. 100(C.)999 touch)	110.90			110.90	110.00	110.90
Shanghai Mexican Dollars per $100.....	72.975			72.75	72.7875	72.75
Native Bank Rate of Interest (Call money).....	Ni			Nil	Nil	Nil
*Closing Price in Lond on for Previous day						
**Closing Price in New York for Previous day						

Bank of England rate of discount	4½%	London Paris on	T/T 124.
Bank of France rate of discount	5%	New York on London	T/T 485⅝
London open Market of Dis. 3 m/s	4 5/8 3/16%	Bombay on London	T/T 1/5 15/16
,, 4 ,,	4 3/8 3/16%	Hongkong on London	T/T 1/11 7/8
,, 6 ,,	4 3/8%	Kobe on London	T/T 1/11⅝